Global Markets Research
Weekly Market Highlights

Market

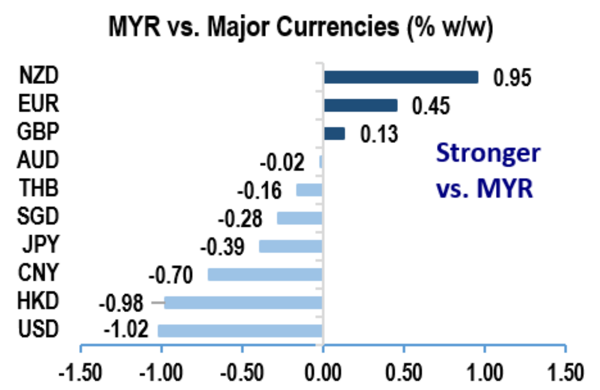
	Last Price	WOW%	YTD %
Dow Jones Ind.	52,759.21	-2.01	9.77
S&P 500	7,641.16	-2.02	11.62
FTSE 100	10,748.16	-0.23	8.22
Hang Seng	25,698.49	1.19	0.27
KLCI	1,736.71	0.12	3.37
STI	5,671.91	-0.84	22.08
Dollar Index	98.90	-1.07	0.58
WTI oil ($/bbl)	87.83	8.10	52.96
Brent oil ($/bbl)	93.78	7.71	54.12
Gold (S/oz)	4,516.30	3.50	4.04
CPO (RM/ MT)	4,734.00	4.55	19.01
Copper ($$/MT)	14,036.50	-0.79	12.99
Aluminum($/MT)	3,205.00	-1.64	6.99

Source: Bloomberg

- **US stocks closed down, crude oil prices closed up:** Investors angst over elevated oil prices stoking inflation, and jittery over government spending kept borrowing costs elevated across the globe and weighed on stocks throughout most of the week. While oil prices continued to climb amid heightening geopolitical tension, sentiment reversed (albeit briefly) for stocks after the US Treasury Department announced that it would ramp up buybacks of longer-dated bonds, a sign that US wants to lower borrowing costs. At the end, the WTI and Brent closed the week 7.7-8.1% w/w higher, while the 3 major US equity indices fell in tune to 2.0-2.7% w/w.

- **US core-PCE, personal spending data in focus next week:** Focus next week will be on the minutes to the latest RBA policy meeting and the core-PCE print for the US, the latter accompanied by its personal income and spending numbers, the preliminary benchmark payrolls revision to the 2026 numbers and second reading to the 2Q GDP. August's Conference Board's consumer confidence index is also on deck, released alongside the durable/capital goods orders, new home sales and home price indicators. It will be a quieter end elsewhere, with only Eurozone's economic confidence index, Japan's jobless rate, China's industrial profits as well as Tokyo's and Singapore's CPIs due for release, the latter accompanied by its IPI print.

Forex

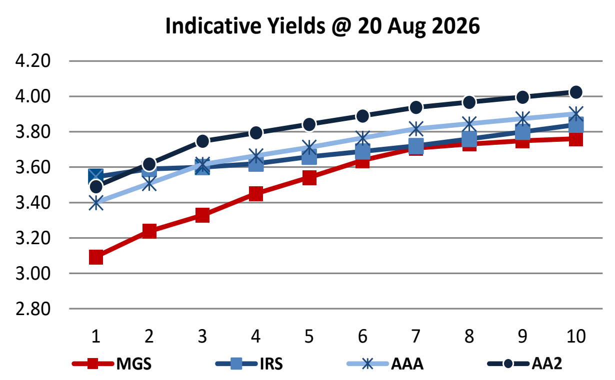


Source: Bloomberg

- **MYR:** MYR was firmer in trading against the USD for a second straight week, climbing by 1.0% (prior: +0.1%) to 4.0450 from 4.0865 the week before, amidst final 2Q GDP coming in stronger than anticipated and an unexpected decline in CPI for July. Against the rest of the G10 and major regional currencies, the MYR was mixed, gaining ground against the PHP (+1.5%) and JPY (+0.4%), but retreating versus the NZD (-1.0%) and KRW (-0.9%). We are ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead with the pair trading in oversold territory, foreseeing a possible trading range of 4.0225 – 4.0725. The coming week will be a quieter one on the economic data front domestically, with only the bi-monthly foreign reserves number due for release.

- **USD:** The DXY declined in trading this week, retreating by 1.1% (prior: 0.0%) to 98.90 from 99.96 the prior week, after Treasury department announce that it would "at least double" its planned purchases of outstanding 10-to-30-year USTs versus what it has planned during the recent quarterly refunding announcement. Economic data for the week saw retail sales for July unexpectedly contract, falling by the most since May 2025. We are ***Neutral-to-Slightly Bullish*** on the USD for the coming week, eyeing a probable trading range of 97.50 – 100.50 for the DXY. The week ahead sees the release of the second reading of 2Q GDP, the core PCE price index and preliminary durable goods orders for July, as well as the Conference Board's consumer confidence index and the preliminary S&P Global US PMIs for the month of August, ahead of the Fed's Jackson Hole symposium next weekend.

Fixed Income



Source: Bloomberg/ BPAM

- **UST:** US Treasuries were softer in trading for the week in review, amidst the Treasury department announcing additional buybacks of longer-dated USTs, which gave the market a bid that dissipated after the initial reaction on renewed concerns on the fiscal situation. Worries about the sustainability of consumer spending post the poor monthly employment report for July continued to grow after the retail sales report for the month unexpectedly contracted. **Overall benchmark yields for the week were higher by between 4 to 7bps w/w** (prior: 1 to 10bps lower). The benchmark 2Y UST yield rose by 5bps for the week to 4.19% while the benchmark 10Y UST yield advanced by 6bps to 4.70%. **We expect USTs to trade with a bullish bias for the week ahead**. The coming week brings the release of the core PCE index for July, as well as the second release of 2Q GDP and the Conference Board's measure of consumer confidence for August. In addition, the preliminary S&P Global US PMIs for August are also due for release.
- **MGS/GII:** Local government bonds were mixed for the week in review, amidst 2Q GDP growth coming in better than anticipated in its final reading, export growth for July cooling by less than expected and CPI for the month unexpectedly declining by a notch. **Overall benchmark MGS/GII yields closed the week mixed by between -2 to +9bps w/w** (prior: -1 to +7bps), with the yield curve steepening for the week. The benchmark 5Y MGS 6/31 yield was 1bp lower for the week at 3.54%, while the benchmark 10Y MGS 7/35 yield advanced by 2bps to 3.76%. **For the coming week, we expect local govvies to trade on a more constructive note**. The shortened week ahead brings little in terms of economic data, but we should also get the announcement and auction of the re-opening of the benchmark 20Y MGS 4/46 during the week to conclude government bond funding for the month, where we expect RM3.5bn to be put up for sale with a further RM1.5bn to be privately placed.

Macroeconomic Updates

- **US stocks closed down, crude oil prices closed up:** Investors angst over elevated oil prices stoking inflation, and jittery over government spending kept borrowing costs elevated across the globe and weighed on stocks throughout most of the week. While oil prices continued to climb amid heightening geopolitical tension, sentiment reversed (albeit briefly) for stocks after the US Treasury Department announced that it would ramp up buybacks of longer-dated bonds, a sign that US wants to lower borrowing costs. At the end, the WTI and Brent closed the week 7.7-8.1% w/w higher, while the 3 major US equity indices fell in tune to 2.0-2.7% w/w.

- **PBoC maintained rates despite data miss:** Policy wise, China banks maintained their 1Y and 5Y loan prime rates unchanged at 3.00% and 3.50% despite data miss and most indicators pointing to slower domestic demand at the kickstart of 3Q. Notably, retail sales grew a mere 0.6% y/y in July, slowing from 1.0% y/y previously amid fading support from the trade-in initiatives and weak consumer sentiment. Industrial output growth moderated to 4.5% y/y from 5.3% y/y previously, while the contraction in fixed asset investment deepened more than expected to -6.7% y/y for the first seven months of the year. In tandem with this, aggregate financing totalled 22.3tn yuan YTD, implies an increase of just 1.4tn yuan in July as compared to 3.4tn yuan in the month of June. While officials attributed weather effects and seasonal lull for the data miss, the worsening growth imbalance suggests a possible miss to the official GDP growth target of 4.5-5.0% this year.

- **FOMC meeting minutes showed that more hikes may be needed:** In the US, July's FOMC meeting minutes were leaning towards a little hawkish, but this was expected with 3 members voting for a rate hike at the meeting. Key highlight, in our opinion, is that "many" participants assessed that policy tightening would likely be needed if inflation did not decline, while "some" commented that financial conditions might not currently be sufficiently restrictive to facilitate a return of inflation to the 2% target. Despite these, there is no change in our view that the FOMC will hold rates steady for the whole of 2026 given the poor jobs data recently, tame inflation environment and weaker consumer numbers, the latter seeing retail sales posting its weakest growth in over a year at -0.6% m/m in July.

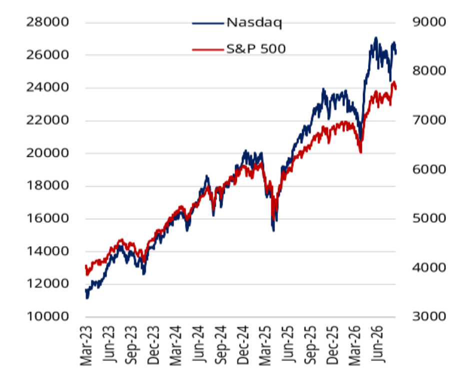
- In terms of outlook, participants generally expect solid real GDP growth to continue in the near term, in line with July's 6-month growth rate of the leading index turning positive, and despite upside risks to CPI, many expect inflation to step down over the rest of the year as the effects of tariffs and earlier energy price increases wane. In terms of AI, several participants expressed concerns that the AI investment could keep inflation elevated by pushing up aggregate demand, while some also noted the possibility that AI developments could disappoint, leading to a significant repricing of stocks, with consequent negative effects on consumer spending.

- **Mixed GDPs for 2Q:** This week also saw the release of 2Q GDPs and more 3Q data for clues on how the respectively economies could perform in the next quarter. In short, global economy has remained resilient despite the US-Iran war, but could likely show some moderation in 3Q. Notably, Hong Kong's final GDP was left unchanged at 4.3% y/y, a deceleration from 5.9% y/y the prior quarter. 1H growth was better than what the government had forecast, and its strongest in nearly 5 years at 5.1% y/y and with this, the government upped its 2026 projection to 3.5-4.5% from 2.5-3.5% previously.

  Similarly, UK's GDP grew at slower pace of 0.4% q/q in 2Q, easing from +0.6% q/q previously, while on a monthly basis, output expanded by 0.3% m/m in June, rebounding from flat growth the prior month largely driven by services. With utility costs up in July (CPI: 2.9% in July vs 2.6% in June) and labour market loosening (payrolled employees and unemployment unchanged and softer than expected at -13k in July and 4.9% in June), demand is likely to moderate ahead. Japan's 2Q GDP also eased to 1.1% q/q (prior: 1.9% q/q), weighed down by stalled consumption growth and a wider contraction in business spending. The upward surprise in its July's core machine orders and still double-digit export growth, nonetheless suggest a still positive outlook for the business sector in 2H of the year. Eurozone's final 2Q was unchanged and steady at 0.4% q/q, supported by stable employment growth of 0.1% q/q. On a positive note, the Malaysian economy expanded at faster pace than initially estimated by 6.0% y/y in 2Q (prior: 5.4% y/y in 1Q) and exports data remained strong with a more than 30% y/y jump in July, suggesting that 2026's GDP growth could likely settle around the 5% level.

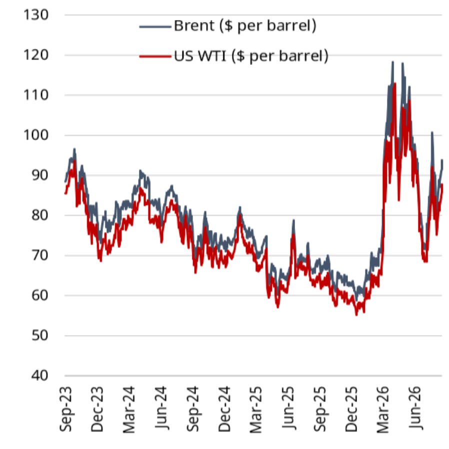
- **US core-PCE, personal spending data in focus next week:** Focus next week will be on the minutes to the latest RBA policy meeting and the core-PCE print for the US, the latter accompanied by its personal income and spending numbers, the preliminary benchmark payrolls revision to the 2026 numbers and second reading to the 2Q GDP. August's Conference Board's consumer confidence index is also on deck, released alongside the durable/capital goods orders, new home sales and home price indicators. It will be a quieter end elsewhere, with only Eurozone's economic confidence index, Japan's jobless rate, China's industrial profits as well as Tokyo's and Singapore's CPIs due for release, the latter accompanied by its industrial output prints.

Short-lived gains from UST buybacks



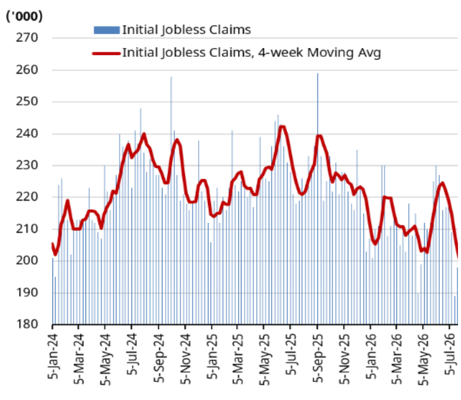
Source: Bloomberg

Flare-up in the geopolitical tension sent prices up



Source: Bloomberg

Initial jobless claims fell for the first time in a month



Source: Bloomberg

Foreign Exchange

- **MYR:** MYR was firmer in trading against the USD for a second straight week, climbing by 1.0% (prior: +0.1%) to 4.0450 from 4.0865 the week before, amidst final 2Q GDP coming in stronger than anticipated and an unexpected decline in CPI for July. Against the rest of the G10 and major regional currencies, the MYR was mixed, gaining ground against the PHP (+1.5%) and JPY (+0.4%), but retreating versus the NZD (-1.0%) and KRW (-0.9%). We are ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead with the pair trading in oversold territory, foreseeing a possible trading range of 4.0225 – 4.0725. The coming week will be a quieter one on the economic data front domestically, with only the bi-monthly foreign reserves number due for release.

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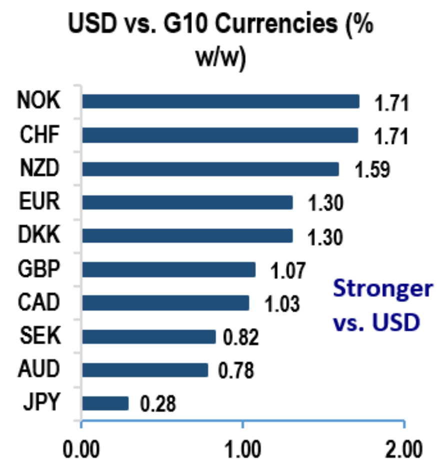
- **EUR**: EUR surged in trading this week, advancing by 1.3% (prior: 0.0%) against the USD to 1.1678 from 1.1528 the week before, amidst preliminary labour costs growth for 2Q inching lower versus the previous quarter, and both the second reading of Eurozone 2Q GDP and the final CPI for July being unrevised compared to their prior releases. We are ***Neutral-to-Slightly Bearish*** on the EUR/USD for the week ahead with the pair now trading in overbought territory, looking at a likely trading range of 1.1525 – 1.1800. The coming week brings the release of the negotiated wages figure for 2Q, the ECB inflation expectations for July, as well as the preliminary consumer confidence and Eurozone PMIs for August.

- **GBP**: The GBP gained ground against the greenback in trading this week, appreciating by 1.1% w/w (prior: +0.2% w/w) to 1.3631 from 1.3487 the prior week, amidst the CPI figures for July coming in as anticipated and an easing in the house price index growth for June. We are ***Neutral-to-Slightly Bearish*** on the Cable for the coming week, with the pair having moved into overbought territory, foreseeing a possible trading range of 1.3475 – 1.3750 for the pair. The week ahead sees the release of the retail sales report for July and the preliminary UK PMIs for August are also due and may offer some clues as to how the economy is faring midway through 3Q.

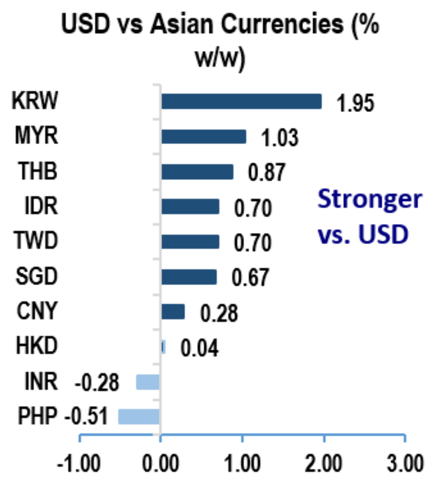
- **JPY**: The Japanese Yen advanced against USD in trading this week, rising by 0.3% (prior: -0.7%) to 159.05 from 159.50 the week before, amidst weaker than expected preliminary 2Q GDP growth figures, which were weighed down by soft consumer spending and business investment, and better than anticipated core machine orders for June. We are ***Neutral*** on USD/JPY for the week ahead, eyeing a probable trading range of 157.25 – 160.75 for currency pair. After the national CPI figures for July rose as expected this morning, the coming week brings the release of the department store sales numbers for July, ahead of the jobless rate for July and Tokyo CPI for August that are both due next Friday. Bank of Japan Deputy Governor Himino is also due to deliver some comments during the week, which may offer more clues as to the path of policy for the BoJ in the near term.

- **AUD**: AUD climbed against the USD in trading this week for a fourth consecutive week, advancing by 0.8% (prior: +0.4%) to 0.7114 from 0.7059 the prior week, amidst a weaker than anticipated monthly employment report for July, which saw job losses for the month and the unemployment rate edging higher. We are ***Neutral-to-Slightly Bearish*** on AUD/USD for the coming week, looking at a likely trading range of 0.6975 – 0.7225. After the preliminary Australian PMI numbers for August eased slightly this morning versus the previous month, the week ahead sees the release of the CPI figures for July and the minutes of the RBA policy meeting, which may shed more light on the hawkish hold decision during the meeting.

- **SGD**: SGD gained against the USD in trading this week for a second week running, climbing by 0.7% (prior: +0.2%) to 1.2721 from 1.2806 the week before, amidst non-oil domestic exports gaining pace by less than expected in July, with electronic exports for the month rising at a record annual pace. Against other G10 currencies the SGD was weaker, except for against the JPY (+0.4%) but versus major regional currencies, the SGD was a mixed bag, gaining versus the PHP (+1.2%) and INR (+0.9%), but losing ground against the KRW (-1.3%) and MYR (-0.3%). We are ***Neutral-to-Slightly Bullish*** on USD/SGD for the week ahead, with the pair in oversold territory, foreseeing a possible trading range of 1.2625 – 1.2850. The coming week brings the release of the CPI and industrial production figures for July.



Source: Bloomberg



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

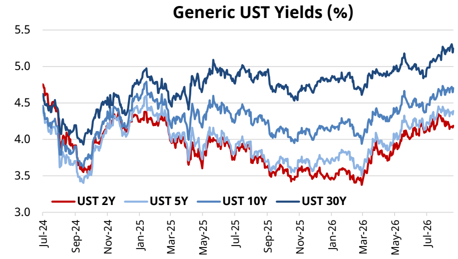
Fixed Income

- **UST:** US Treasuries were softer in trading for the week in review, amidst the Treasury department announcing additional buybacks of longer-dated USTs, which gave the market a bid that dissipated after the initial reaction on renewed concerns on the fiscal situation. Worries about the sustainability of consumer spending post the poor monthly employment report for July continued to grow after the retail sales report for the month unexpectedly contracted. The pricing of rate hikes by the Fed this year were relatively stable during the week, with 23bps of hikes priced in for 2026. **Overall benchmark yields for the week were higher by between 4 to 7bps w/w** (prior: 1 to 10bps lower) as of the close of business on Thursday. The benchmark 2Y UST yield rose by 5bps for the week to 4.19% while the benchmark 10Y UST yield advanced by 6bps to 4.70%. **We expect USTs to trade with a bullish bias for the week ahead.** The coming week brings the release of the core PCE index for July, as well as the second release of 2Q GDP and the Conference Board's measure of consumer confidence for August. In addition, the preliminary S&P Global US PMIs for August are also due for release and may provide further clues as to how the economy is faring halfway through 3Q.

- **MGS/GII:** Local government bonds were mixed for the week in review, amidst 2Q GDP growth coming in better than anticipated in its final reading and export growth for July cooling by less than expected. CPI for the month unexpectedly declined by a notch on a moderation in transports costs. The re-opening auction of RM5bn of the 7Y GII 3/33 saw decent demand and drew a moderate BTC of 2.147x. **Overall benchmark MGS/GII yields closed the week mixed by between -2 to +9bps w/w** (prior: -1 to +7bps), except for the 30Y MGS/GII which were correcting from previous off-market trades, with the yield curve steepening for the week. The benchmark 5Y MGS 6/31 yield was 1bp lower for the week at 3.54%, while the benchmark 10Y MGS 7/35 yield advanced by 2bps to 3.76%. Secondary market activity climbed for the week, with the average daily secondary market volume for MGS/GII advancing by 62% to RM4.83bn for the week in review versus the daily average of RM2.98bn seen the week before, driven by a 74% increase in GII trading. Trading for the week was again led by the off-the-run GII 9/26, which saw RM5.57bn changing hands, while decent interest was also seen in the off-the-run MGS 11/26 and the benchmark 7Y GII 3/33, with RM4.16bn and RM1.36bn traded respectively. GII trades totalled 51% of government bond trading for the week, a slight increase from the 48% seen the prior week. **For the coming week, we expect local govvies to trade on a more constructive note.** The shortened week ahead brings little in terms of economic data, but we should also get the announcement and auction of the re-opening of the benchmark 20Y MGS 4/46 during the week to conclude government bond funding for the month, where we expect RM3.5bn to be put up for sale with a further RM1.5bn to be privately placed.

- **MYR Corporate bonds/ Sukuk**: Trading in the secondary corporate bond/sukuk market was better offered for the week in review. Secondary market activity fell slightly for the week, with the average daily volume traded declining by 10% to RM0.42bn (prior week: RM0.46bn). Trading for the week was again led by the AAA-rated segment of the market. In the GG universe, the interest was led by LPPSA 8/52, with RM120m traded for the week and the bond last switching hands at 4.29%. Good interest was also seen in DANA 11/50, with RM100m swapping hands and last being traded at 4.27%. In the AAA-rated space, BPMB 11/26 and SEB 4/31 led the activity for the week, with RM100m of each bond traded and last changing hands at 3.49% and 3.78% respectively. Over in the AA-rated arena, trading was led by GENM 3/27, with RM100m switching hands for the week and last being traded at 4.07%. Good interest was also seen in ZETRIX 8/28, with RM87m traded and last swapping hands at 5.45%. In the A-rated segment of the market, trading was led by WCT 8/29, where RM61m changed hands for the week with the bond last traded at 5.30%. Issuance activity fell sharply compared to the previous week, and the only issuances of note were from AA2-rated Himayah Sukuk and unrated Iltizam Aset, which both issued five identical IMTNs of RM100m each with maturities from 3y to 7y and coupons ranging from 4.07% to 4.31%, in addition to the latter printing RM212m of an 8-year zero coupon IMTN.

- **Singapore Government Securities:** SGS declined in trading for the week in review, amidst record high electronic export growth numbers as the non-oil domestic exports picked up pace for July but by less than expected. Benchmark yields closed the week higher by between 2 to 10bps (prior week: -1 to +13bps) as at the end of business on Thursday, with the yield curve bear steepening. **The benchmark SGS 2Y yield rose by 2bps for the week to 1.67%, while the benchmark SGS 10Y yield advanced by 10bps to 2.36%.** The fall in bond prices resulted in Bloomberg's Total Return Index unhedged SGD declining by 0.6% for the week (prior week: 0.0%). The week ahead sees the release of the industrial production figures and CPI for July.



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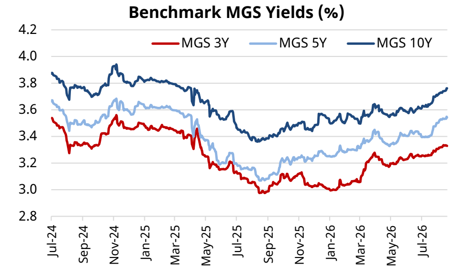

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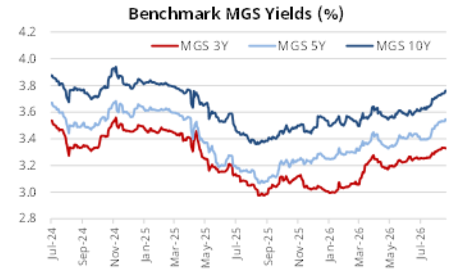

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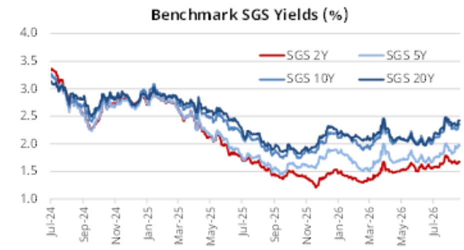


Source: Bloomberg

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
SEP Resources (M) Sdn Bhd	RM185m ASEAN Sustainability SRI Sukuk Wakalah (2024/2036)	AA1/Stable	Affirmed
HSBC Bank Malaysia Berhad	Financial institution ratings	AAA/Stable/P1	Affirmed
Himayah Sukuk Berhad	RM500m Tranche 1 Structured Covered Sukuk to be issued under RM5bn Structured Covered Sukuk Wakalah Programme	AA2/Stable	Assigned final rating
S P Setia Berhad	RM3.5bn Senior and Subordinated Perpetual Sukuk Wakalah Programme; (with a sublimit of RM1.5bn on the Perpetual Sukuk) RM3.0bn IMTN Programme	AA/Stable A+/Stable AA/Stable	Affirmed Affirmed Affirmed
Syarikat Takaful Malaysia Keluarga Berhad	Financial strength ratings RM1bn Tier-2 Subordinated Sukuk Wakalah Programme (2025/-)	AA2/Stable/P1 AA3/Stable	Affirmed Affirmed
Bank Muamalat Malaysia Berhad	Financial institution ratings Existing Sukuk Wakalah Programme of up to RM5bn: Senior Sukuk Wakalah Tier-2 Subordinated Sukuk Wakalah Additional Tier-1 (AT-1) Sukuk Wakalah	A+/Stable/MARC-1 A+/Stable A/Stable BBB+/Stable	Affirmed Affirmed
KIP REIT Capital Sdn Bhd	RM175m 2026-Issue 6 Class A Medium-Term Notes under its RM2bn MTN Programme	AAA/Stable	Assigned preliminary rating
UEM Olive Capital Berhad	RM7bn Sukuk Wakalah programme	AAA(s)/Stable	Upgraded
Cahya Mata Sarawak Berhad	Long-term corporate credit rating	AA3/Positive	Outlook raised
FGV Holdings Berhad	Sukuk Murabahah Programme of up to RM3bn	AAA/Stable	Upgraded

Source: MARC/RAM

Equities

- **US**: The dominant theme of the week was a sharp repricing of long-end rates, as the 30-year Treasury yield touched 5.31% on 17 August, its highest closing level since 2023, driven by a combination of sticky inflation expectations, elevated corporate bond supply, and geopolitical risk premium from renewed US-Iran tensions. The FOMC minutes from the July meeting, struck a hawkish tone: many participants indicated that policy tightening would likely be necessary if inflation failed to decline. The rate anxiety weighed heavily on equities, with the S&P 500 falling **-2.0%**, the Nasdaq declining **-2.7%**, and the Philadelphia Semiconductor Index shedding **-5.3%**.

  Earnings and corporate news provided the week's sharpest single-stock moves. Moderna surged **+177% on 19 August** after its personalised cancer vaccine, developed with Merck, demonstrated a statistically significant reduction in melanoma recurrence in a large late-stage trial, the stock's biggest single-day gain on record. Shares gave back a portion of those gains the following session, leaving the weekly return at +109.5%. Walmart fell **-10.3%** on 20 August despite reporting adjusted EPS of $0.81 versus the $0.74 consensus estimate and revenue of $187.9bn versus $186.9bn expected; Walmart US same-store sales of 2.6% missed the 3.7% consensus, raising concerns about the health of the US consumer. The week ahead will be watched for any further movement in long-end yields and Fed commentary, with the Jackson Hole Economic Symposium (27 - 29 August) the central focus. **Equities are still in pullback mode, though the medium-term upward momentum remains intact – index sits ~2% from all-time highs with its most crowded complex (semiconductor) already de-rated. Treasury buybacks maybe leaky but it caps the rapid ascent of long-term yields, for now**.

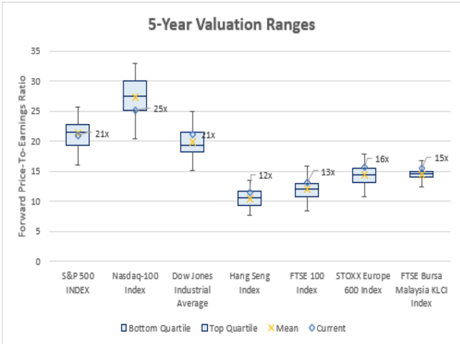
- **Asia**: Hang Seng Index edged up **+1.2%**, supported by a late-week recovery in select large-caps, while the Hang Seng Tech Index fell **-1.9%** as AI capex concerns weighed on internet platforms. Alibaba reported Q1 FY2027 results on 20 August: adjusted EPS of CNY 8.52 missed the consensus of CNY 11.28, as net profit plunged approximately 75% on a near-tripling of AI-related capital expenditure to approximately CNY 68bn for the quarter. Revenue grew 9% year-on-year, broadly in line with estimates, with cloud and AI infrastructure the primary growth driver. Despite the earnings miss, the US-listed Alibaba ADR gained **+1.3%** on the 20 August as investors looked through near-term margin compression toward the AI revenue ramp.

  Taiwan and Korea diverged sharply over the week, with the former dragged lower by global rate anxiety and the latter staging a dramatic intraweek recovery driven by capital return announcements. The TAIEX fell **-2.4%**, with TSMC declining **-2.5%** as elevated US yields compressed semiconductor valuations across the board. Korea's KOSPI closed the week up just **+0.6%**, but the headline figure masks an extraordinary intraweek swing. The index fell as much as 6.8% on 19 August as rising bond yields and AI capex concerns triggered a broad chip selloff, before reversing sharply on 20 August after SK Hynix announced a KRW 40tn (approximately USD 29bn) share buyback programme, the largest cancellation ever among South Korea's listed companies, and Samsung separately reported plans for a shareholder return programme exceeding KRW 100tn. The buyback announcements reflect management confidence in the memory upcycle but also acknowledge the severity of the recent drawdown - both stocks remain well below their 2026 highs.

- **Malaysia**: The KLCI closed the week marginally higher at **+0.1%,** with the index oscillating in a narrow range as global risk-off sentiment offset positive domestic catalysts. At the sector level, Utilities was the clear outperformer at **+2.5%**, while Technology was the worst performer at **-2.3%**, consistent with the global semiconductor selloff. The week's standout corporate events were concentrated in the Utilities space. YTL Corporation reported Q4 FY2026 results on 20 August, with revenue rising 16% year-on-year to MYR 8.82bn and profit after tax growing 19% to MYR 751mn, driving the stock up **+10.0%** on the week. YTL Power gained **+6.4%** in sympathy. Sunway Healthcare rose **+6.6%** after reporting Q2 profit attributable to owners surging 89% year-on-year to MYR 78.2mn on revenue growth of 30% to MYR 672.9mn. On the macro side, Malaysia's July trade surplus widened to MYR 22.5bn, the 75th consecutive monthly surplus since May 2020, beating the MYR 17.5bn consensus, providing a constructive backdrop for the ringgit.

  Market direction will be externally driven, with Jackson Hole and any further movement in US long-end yields the primary variables. Domestically, earnings season continues with a handful of mid-cap results due. KLCI remains capped below 1,750, with US rates remaining the key driver as to whether the YTD highs of 1,771 can be revisited in the near future.

Source: Bloomberg



Source: Bloomberg

Economic Calendar

Date	Time	Country	Event	Period	Prior
24-Aug	13:00	SI	CPI Core YoY	Jul	1.60%
	20:30	US	Chicago Fed Nat Activity Index	Jul	-0.02
25-Aug	9:30	AU	RBA Minutes of Aug. Policy Meeting		
	16:30	HK	Exports YoY	Jul	53.40%
	20:30	US	Philadelphia Fed Non-Manufacturing Activity	Aug	7.4
	21:00	US	FHFA House Price Index MoM	Jun	0.30%
	21:00	US	S&P Cotality CS US HPI YoY NSA	Jun	1.11%
	22:00	US	Richmond Fed Manufact. Index	Aug	5
	22:00	US	Richmond Fed Business Conditions	Aug	-5
	22:00	US	New Home Sales MoM	Jul	1.60%
	22:00	US	Conf. Board Consumer Confidence	Aug	90.8
26-Aug	8:30	AU	Westpac Leading Index MoM	Jul	0.04%
	9:30	AU	CPI Trimmed Mean YoY	Jul	3.60%
	13:00	SI	Industrial Production SA MoM	Jul	-7.20%
	19:00	US	MBA Mortgage Applications	21 Aug	-0.40%
	20:30	US	Personal Income	Jul	0.20%
	20:30	US	Personal Spending	Jul	0.30%
	20:30	US	Core PCE Price Index YoY	Jul	3.30%
	20:30	US	Durable Goods Orders	Jul P	0.50%
	20:30	US	GDP Annualized QoQ	2Q S	1.50%
	20:30	US	Cap Goods Orders Nondef Ex Air	Jul P	1.20%
27-Aug	9:30	AU	Private Capital Expenditure	2Q	6.50%
	9:30	CH	Industrial Profits YTD YoY	Jul	18.70%
	9:30	AU	Household Spending MoM	Jul	0.80%
	20:30	US	Advance Goods Trade Balance	Jul	-$101.5b
	20:30	US	Initial Jobless Claims	22 Aug	206k
	23:00	US	Kansas City Fed Manf. Activity	Aug	9
28-Aug	7:30	JN	Tokyo CPI Ex-Fresh Food YoY	Aug	1.90%
	7:30	JN	Jobless Rate	Jul	2.50%
	17:00	EC	Economic Confidence	Aug	96.9
	21:45	US	MNI Chicago PMI	Aug	57.6
	22:00	US	Prelim. Benchmark Payrolls Revision	2026	-911k
	22:00	US	U. of Mich. Sentiment	Aug F	51
	23:00	US	Kansas City Fed Services Activity	Aug	14

Source: Bloomberg

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