Global Markets Research

Weekly Market Highlights

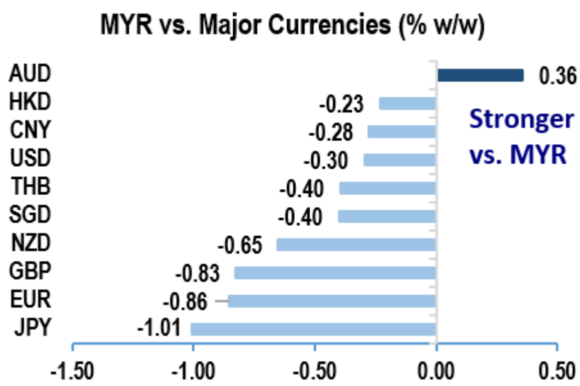
Market

	Last Price	WOW%	YTD %
Dow Jones Ind.	53,569.44	1.54	11.46
S&P 500	7,730.99	1.18	12.94
FTSE 100	10,792.54	0.41	8.67
Hang Seng	25,565.74	-0.52	-0.25
KLCI	1,741.72	0.29	3.67
STI	5,684.12	0.22	22.34
Dollar Index	99.16	0.27	0.85
WTI oil ($/bbl)	83.53	-4.90	45.47
Brent oil ($/bbl)	89.70	-4.35	47.41
Gold ($/oz)	4,609.70	2.07	6.58
CPO (RM/ MT)	4,593.00	-2.98	15.63
Copper ($$/MT)	14,282.50	1.75	14.97
Aluminum($/MT)	3,234.50	0.92	7.98

Source: Bloomberg

- **US stocks closed up, crude oil prices closed down:** Despite tinge of cautiousness ahead of key events, US equity markets were broadly on an uptrend, supported by hopes for continued profit growth following the upbeat PMI prints, as well profit beats and optimistic guidance for tech giant Nvidia. Market reaction to core-PCE was largely muted in the absence of any surprises, while appetite for consumer names were slightly dented by the weaker consumer confidence prints. Broadly softer crude oil prices, meanwhile, also boded well for the equity markets, this despite lack of clarity on a US-Iran peace talk, and in tandem with this, dimming some hopes for a sustainable resumption of oil flows through the Strait of Hormuz.
- **RBNZ and BNM's policy decisions; US NFP and regional PMIs in focus next week:** The RBNZ is expected to raise its cash rate but BNM is anticipated to hold the OPR unchanged at 2.75%. The S&P will finalise the August PMIs for the majors, and unveil fresh readings for the regionals. These will be accompanied by the Fed Beige Book, ISMs and slew of monthly labour print in the US, notably the NFP. Meanwhile, the retail sales prints are due for release in the Eurozone and Japan, Eurozone accompanied by its unemployment rate and CPI, and Japan, by its IPI, consumer confidence, household and capital spending prints.

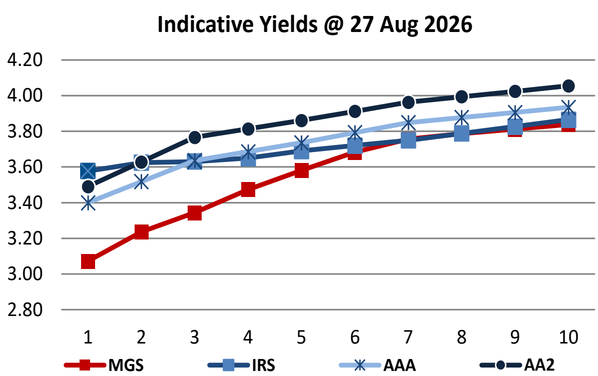
Forex



Source: Bloomberg

- **MYR:** MYR advanced in trading against the USD for a third week on the trot, rising by 0.3% (prior: +1.0%) to 4.0330 from 4.0450 the prior week, amidst an empty data calendar domestically during the holiday-shortened week. Against the rest of the G10 and major regional currencies, the MYR has had a good week and was mostly stronger, except against the KRW (-0.6%), TWD (-0.5%) and AUD (-0.4%). We are ***Neutral-to-Slightly Bullish*** on USD/MYR for the coming week with the pair continuing to trade in oversold territory for a second week, eyeing a probable trading range of 4.0125 – 4.0625. The week ahead will be another short one with the Merdeka holiday on Monday, and will see the release of the S&P Global Malaysia manufacturing PMI for August, with Bank Negara also due to decide on policy during the week, where we expect an unchanged policy rate for the seventh straight MPC meet and for them to continue to sound out a neutral tone in the statement.
- **USD:** The DXY edged higher in trading this week, appreciating by 0.3% (prior: -1.1%) to 99.16 from 98.90 the week before, amidst the US announcing a shift in the Middle East strategy towards an economic isolation of Iran and threatening secondary sanctions on parties that continue to trade with them. Economic data for the week saw the core PCE for July and second reading of US 2Q GDP come in line with expectations, and preliminary August PMIs that unexpectedly quickened in a services-led surge. We remain ***Neutral-to-Slightly Bullish*** on the USD for the week ahead, looking at a likely trading range of 98.00 – 100.50 for the DXY. The coming week brings the ISM indices for August as well as the monthly employment report, with Fed Chair Warsh due to speak at the Jackson Hole symposium tonight.

Fixed Income



Source: Bloomberg/ BPAM

- **UST:** US Treasuries were mixed in trading for the week in review, with the shorter-dated part of the maturity spectrum giving up some ground while longer-dated bonds gained, amidst the US announcing plans of an economic isolation of Iran. The pricing of rate hikes by the Fed this year edged higher during the week, with 27bps of hikes priced in for 2026 (prior: 23bps). **Overall benchmark yields for the week were mixed by between -5 to +4bps w/w** (prior: 4 to 7bps higher) as of the close of business on Thursday. The benchmark 2Y UST yield rose by 4bps for the week to 4.23% while the benchmark 10Y UST yield declined by 3bps to 4.68%, resulting in a flattening of the UST curve. **We expect USTs to trade on a constructive tone for the coming week.** The week ahead sees Fed Chair Warsh deliver the opening remarks at the Fed's annual Jackson Hole symposium, and the ISM indices for August are scheduled for release, as in the latest Beige Book and the usual slew of labour market indicators prior to the monthly jobs report due next Friday.
- **MGS/GII:** Local government bonds declined for the week in review, amidst a trading week shortened by the Maulidur Rasul holiday that was void of any economic data releases domestically. The re-opening auction of RM3.5bn of the 20Y MGS 4/46 saw lukewarm demand and drew a poor BTC of 1.635x. **Overall benchmark MGS/GII yields closed the week higher by between 1 to 10bps w/w** (prior: -2 to +9bps). The benchmark 5Y MGS 6/31 yield was 5bps higher for the week at 3.59%, while the benchmark 10Y MGS 7/35 yield advanced by 10bps to 3.86%. **For the week ahead, with expect some consolidation and for bonds to trade on a more positive note.** The coming week is again a shorter one with the Merdeka holidays on Monday, and brings the BNM MPC decision, where policy is expected to be left unchanged for a seventh consecutive MPC meet, and will also see the release of the S&P Global Malaysia manufacturing PMI index for August.

Hong Leong Bank

Macroeconomic Updates

- **US stocks closed up, energy prices down:** Despite tinge of cautiousness ahead of key events, US equity markets were broadly on an uptrend, supported by hopes for continued profit growth following the upbeat PMI prints, as well profit beats and optimistic guidance for tech giant Nvidia. Market reaction to core-PCE was largely muted given no surprises, while appetite for consumer names were slightly dented by the weaker consumer confidence prints. Broadly softer crude oil prices, meanwhile, also boded well for the equity markets, this despite lack of clarity on a US-Iran peace talk, and in tandem with this, dimming some hopes for a sustainable resumption of oil flows through the Strait of Hormuz.

- **Firm PMIs across the major economies:** Data wise, headline PMIs, as well as business sentiment, for the majors were broadly better. The exception was Australia, which saw a slight downshift to 52.5 from 53.2 reflecting a slightly softer services sector (52.9 vs 53.6) while manufacturing held steady at 52.0. Still, business sentiment improved to its 6-month high. Meanwhile, the composite PMI (56.0 vs 54.5) for the US rose to its highest since April 2022 with growth momentum shifting from manufacturing (53.2 vs 53.9) to services (56.8 vs 54.6). The composite PMI for the Eurozone also improved 0.1ppts to 52.1, but the pick-up was largely underpinned by manufacturing (52.8 vs 51.9), while services held steady at 51.7. In the UK, the headline picked up slightly to 52.5 from 52.2 amid a sustained turnaround in services (52.8 vs 52.1), which offset a slowdown in manufacturing growth (51.5 vs 51.9). Last but not least, Japan's business activity expanded at its fastest pace in 6 months according to the headline PMI (53.4 vs 52.7) amid acceleration for both manufacturing (55.1 vs 54.5) and services sectors (52.3 vs 51.2).

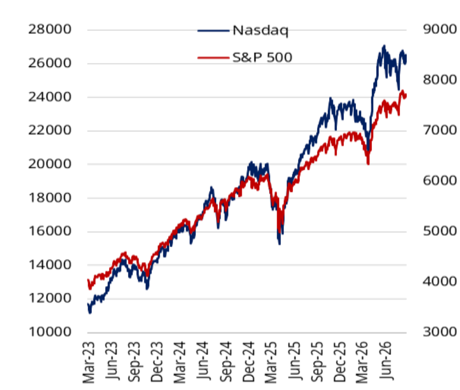
- **Steady core-PCE and soft spending in the US support a FOMC pause:** On the US front, data during the week showed that core-PCE came in line with forecast, accelerating to 0.2% m/m in July (prior: 0.1% m/m) and holding steady at 3.3% on a yearly basis. The headline inflation rate was a touch firmer than expected at 0.2% m/m and 3.7% y/y (prior: -0.1% m/m vs 3.7% y/y), but with inflation making slow progress towards target and consumer fundamentals broadly softer, there is no change our view of an extended pause for Fed rates for the whole of 2026.

  While 2Q GDP and personal consumption growth was left unrevised at 1.5% q/q and 3.4% q/q (prior: 2.1% q/q and 0.5% q/q), weak consumer confidence (Conference Board: - 0.8ppts to 89.4 in August) and July's real personal spending data (0% m/m vs 0.4% m/m) suggest a soft start for consumption in 3Q of the year. Other prints, meanwhile, continue to flag weakness on the housing front but another strong quarter for capex. New home sales plunged 10.5% m/m to 607k in July (prior: 7.6% m/m to 678k), its lowest since January as elevated financing costs kept prospective buyers at bay and the housing market under pressure. In tandem with this, the FHFA also showed that home prices slowed, showing flat growth in June after rising 0.3% m/m previously, while the S&P Cotality CS20-City indices were unchanged at +0.2% m/m for the same month. Orders for durable goods orders, meanwhile, picked up pace at 1.1% m/m (prior: 0.5% m/m), while capital goods orders nondef ex-air also grew 0.2% m/m (prior: 1.7% m/m). At the point of writing, indications are that AI-drive capex spending will continue in 3Q, as reflected by the 3.7% m/m jump in import growth led by capital goods imports.

- **Hawkish RBA minutes, hot CPI for Australia:** Highlight from Australia was the minutes to its latest RBA policy meeting, where several members of the board opined that "it was quite possible that the upside risks to the inflation forecast would crystallise, requiring some further tightening." In tandem with this, data released during the week showed that trimmed mean CPI surprised on the upside at 3.6% y/y in July, while other economic indicators were mixed. The leading index grew at a slightly softer pace of 0.03% m/m for the same month (prior: 0.05% m/m), still suggesting a below trend growth momentum, Private capex unexpectedly fell 3.6% q/q in 2Q (prior: 6.9% q/q), but household spending was robust at 1.1% m/m in July (prior: 1.0% m/m). The RBA next meets on September 28–29. We expect it to leave the cash rate unchanged again, but is prepared to hike should inflation prove more persistent than expected.

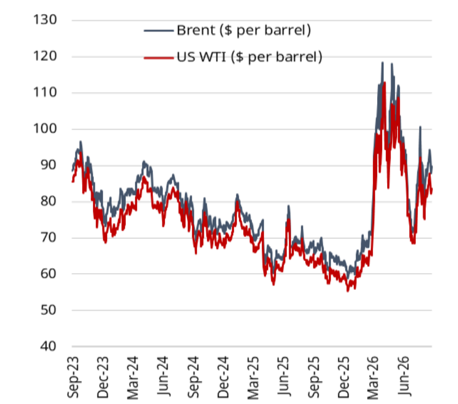
- **RBNZ, BNM's policy decisions, US NFP and regional PMIs in focus next week:** The RBNZ is expected to raise its cash rate by 25bps to 2.75%, while in contrast, BNM is anticipated to hold the OPR unchanged at 2.75%. Data wise, the S&P will finalise the August PMIs for the majors, and unveil fresh indicators for regional economies. These will be accompanied by the Fed Beige Book, ISMs and slew of monthly labour print in the US, namely the NFP, JOLTS job openings and ADP employment change reports, and the net consumer credit for the UK. Meanwhile, the retail sales prints are for release in the Eurozone and Japan, Eurozone accompanied by its unemployment rate and CPI, and Japan, by its IPI, consumer confidence, household and capital spending prints.

Kevin Warsh's speech at the Jackson Hole Symposium could hold the cards to next week's performance



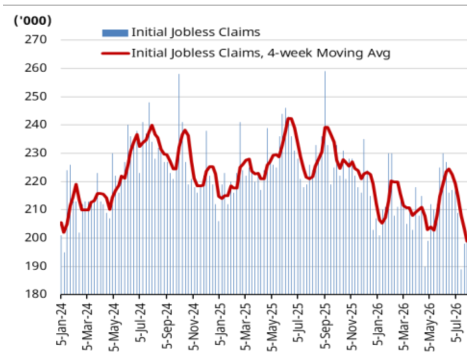
Source: Bloomberg

Broadly softer crude oil prices despite no signs of a sustainable US-Iran peace deal for now



Source: Bloomberg

Initial jobless claims fell for the second week, easing concerns over the state of the labour market



Source: Bloomberg

Foreign Exchange

- **MYR:** MYR advanced in trading against the USD for a third week on the trot, rising by 0.3% (prior: +1.0%) to 4.0330 from 4.0450 the prior week, amidst an empty data calendar domestically during the holiday-shortened week. Against the rest of the G10 and major regional currencies, the MYR has had a good week and was mostly stronger, except against the KRW (-0.6%), TWD (-0.5%) and AUD (-0.4%). We are ***Neutral-to-Slightly Bullish*** on USD/MYR for the coming week with the pair continuing to trade in oversold territory for a second week, eyeing a probable trading range of 4.0125 – 4.0625. The week ahead will be another short one with the Merdeka holiday on Monday, and will see the release of the S&P Global Malaysia manufacturing PMI for August, with Bank Negara also due to decide on policy during the week, where we expect an unchanged policy rate for the seventh straight MPC meet and for them to continue to sound out a neutral tone in the statement.

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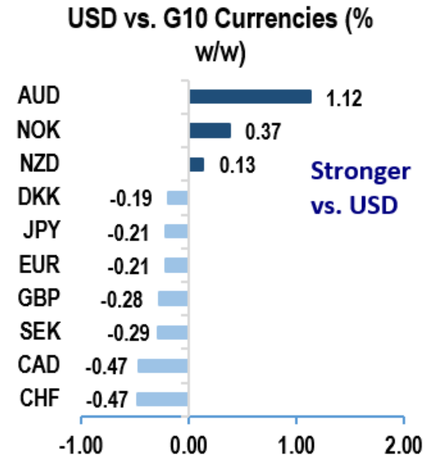
- **EUR**: EUR fell in trading this week, retreating by 0.2% (prior: +1.3%) against the greenback to 1.1653 from 1.1678 the prior week, amidst easing inflation expectations readings for July and an unexpected quickening in the preliminary Eurozone composite PMI for August which was driven by a good showing from the manufacturing sector. We are ***Neutral-to-Slightly Bearish*** on the EUR/USD for the coming week, foreseeing a possible trading range of 1.1525 – 1.1775. The week ahead sees the release of the economic confidence index for August, as well as the unemployment rate and PPI for July, and the preliminary CPI estimates for August.

- **GBP**: The GBP eased against the USD in trading this week, coming off by 0.3% w/w (prior: +1.1% w/w) to 1.3593 from 1.3631 the week before, amidst retail sales for July declining as expected and the preliminary UK composite PMI unexpectedly firming in August on strength in the services sector. We remain ***Neutral-to-Slightly Bearish*** on the Cable for the week ahead, eyeing a probable trading range of 1.3450 – 1.3725 for the pair. The coming week brings the mortgage approval figures for July as well as the Nationwide house price index for the month of August.

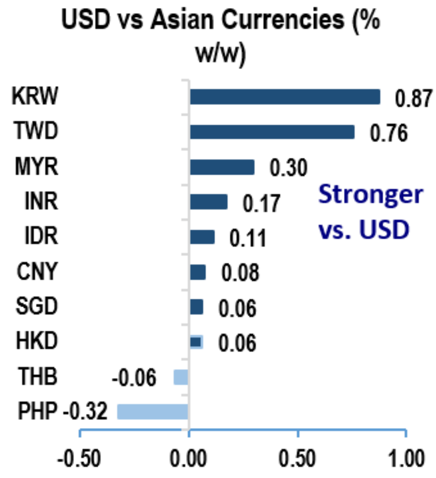
- **JPY**: The Japanese Yen depreciated against USD in trading this week, falling by 0.2% (prior: +0.3%) to 159.39 from 159.05 the prior week, amidst the CPI figures for July quickening from the previous month's pace as expected, and the BoJ Deputy Governor saying that the bank should pay greater attention to the upside risk to prices, increasing the likelihood that they may tighten policy at the upcoming monetary policy meeting in mid-September. We are ***Neutral*** on USD/JPY for the coming week, looking at a likely trading range of 157.75 – 161.00 for the pair. After the Tokyo CPI figures for August quickened as anticipated and the jobless rate for July unexpectedly edged lower this morning, the week ahead sees the release of the retail sales, industrial production and housing starts for July, as well as the capital spending figures for 2Q.

- **AUD**: AUD advanced against the USD in trading this week for a fifth week running and was the best performing currency in the G10 space, surging by 1.1% (prior: +0.8%) to 0.7194 from 0.7114 the week before, amidst hotter than expected CPI figures for July which led to the markets pricing in a higher chance of a hike at the next RBA meeting at the end of September. Other releases for the week were mixed, with household spending for July rising by more than anticipated, while private capital expenditure for 2Q unexpectedly contracted. We are ***Slightly Bearish*** on AUD/USD for week ahead with the pair in overbought territory with the move higher, foreseeing a possible trading range of 0.7050 – 0.7300 for the pair. The coming week brings the release of Australian 2Q GDP, as well as the private sector credit growth figures and the trade balance for the month of July.

- **SGD**: SGD traded higher against the USD this week for a third week on the trot, inching up by 0.1% (prior: +0.7%) to 1.2713 from 1.2721 the prior week, amidst CPI figures for July quickening versus the month before but undershooting estimates, both at the headline and core level of prices. Against other G10 and major regional currencies, the SGD was mixed for the week, gaining versus the CHF (+0.5%) and PHP (+0.4%), but losing ground against the AUD (-1.1%) and KRW (-0.8%). We are ***Neutral-to-Slightly Bullish*** on USD/SGD for the coming week, eyeing a probable trading range of 1.2600 – 1.2850 for the currency pair. The week ahead sees the release of the purchasing managers index and the electronic sector index for August, which may provide further clues as to trajectory of growth in 3Q thus far.



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

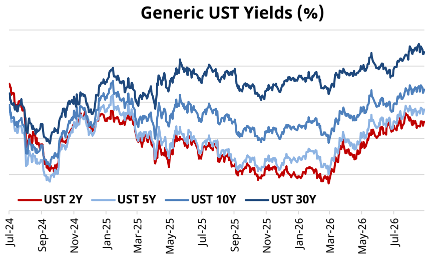
Fixed Income

- **UST:** US Treasuries were mixed in trading for the week in review, with the shorter-dated part of the maturity spectrum giving up some ground while longer-dated bonds gained, amidst the US announcing plans of an economic isolation of Iran with secondary sanctions on parties that trade with them. Key economic data for the week was mostly as expected, with the core PCE index for July and the second reading of US 2Q GDP both coming out as anticipated, and the preliminary PMIs for August improved further from the month before, buoyed by the services sector. The pricing of rate hikes by the Fed this year edged higher during the week, with 27bps of hikes priced in for 2026 (prior: 23bps). **Overall benchmark yields for the week were mixed by between -5 to +4bps w/w** (prior: 4 to 7bps higher) as of the close of business on Thursday. The benchmark 2Y UST yield rose by 4bps for the week to 4.23% while the benchmark 10Y UST yield declined by 3bps to 4.68%, resulting in a flattening of the UST curve. **We expect USTs to trade on a constructive tone for the coming week.** The week ahead is shaping up to be an eventful one, with Fed Chair Warsh due to deliver the opening remarks at the Fed's annual Jackson Hole symposium, and the ISM indices for August are scheduled for release, as in the latest Beige Book and the usual slew of labour market indicators prior to the monthly jobs report due next Friday.

- **MGS/GII:** Local government bonds declined for the week in review, with the shorted-dated part of the maturity spectrum outperforming, amidst a trading week shortened by the Maulidur Rasul holiday that was void of any economic data releases domestically. The re-opening auction of RM3.5bn of the 20Y MGS 4/46 saw lukewarm demand and drew a poor BTC of 1.635x. **Overall benchmark MGS/GII yields closed the week higher by between 1 to 10bps w/w** (prior: -2 to +9bps), except for the 20Y GII which was skewed by an off-market trade. The benchmark 5Y MGS 6/31 yield was 5bps higher for the week at 3.59%, while the benchmark 10Y MGS 7/35 yield advanced by 10bps to 3.86%. Secondary market activity fell for the week, with the average daily secondary market volume for MGS/GII inching lower by 3% to RM4.70bn for the week in review versus the daily average of RM4.83bn seen the prior week, driven by a 19% decline in the average daily GII trading. Trading for the week was again led by the off-the-run GII 9/26, which saw RM3.84bn switching hands, while decent interest was also seen in the off-the-run MGS 11/26 and the benchmark 10Y MGS 7/35, with RM2.98bn and RM1.24bn traded respectively. GII trades totalled 43% of government bond trading for the week, falling from the 51% seen the week before. **For the week ahead, with expect some consolidation and for bonds to trade on a more positive note.** The coming week is again a shorter one with the Merdeka holidays on Monday, and brings the BNM MPC decision, where policy is expected to be left unchanged for a seventh consecutive MPC meet, and will also see the release of the S&P Global Malaysia manufacturing PMI index for August.

- **MYR Corporate bonds/ Sukuk**: Trading in the secondary corporate bond/sukuk market was better offered for the week in review. Secondary market activity rose despite the shorter week, with the average daily volume traded advancing by 51% to RM0.63bn (prior week: RM0.42bn). Trading for the week was again led by the AAA-rated segment of the market. In the GG universe, the interest was led by DANA 8/55, with RM280m traded for the week and the bond last swapping hands at 4.42%. Decent interest was also seen in DANA 11/34, with RM130m changing hands and last being traded at 3.96%. In the AAA-rated space, AIRSEL 9/37 led the activity for the week, with RM90m traded and last switching hands at 4.12%. Keen interest was also seen in DANGA 9/33, which saw RM80m swapping hands for the week and last being traded at 3.99%. Over in the AA-rated arena, trading was led by SDPROP 8/28, with RM80m changing hands for the week and last being traded at 3.70%. Good interest was also seen in MRCB 1/36, with RM60m traded and last switching hands at 4.02%. In the A-rated segment of the market, trading was led by EWPCB 4.50% Perps, where RM40m changed hands for the week with the bond last traded at 4.16%. Issuance activity picked up versus the prior week, with AAA-rated CIMB Islamic and AA3-rated Gamuda leading the way. The former issued four IMTNs totalling RM1.68bn (RM200m 5yr at 3.93%, RM800m 7yr at 4.08%, RM200m 10yr at 4.15% and RM480m 15yr at 4.37%) while the latter also printed four IMTNs totalling RM1bn (RM150m 3yr at 3.88%, RM200m 5yr at 4.01%, RM350m 6yr at 4.09% and RM300m 7yr at 4.14%). Also seen in the market with issuances of note were A1-rated WCT Holdings (RM310m), AA1-rated SUNREIT (RM300m) and AA3-rated Zetrix AI (RM250m).

- **Singapore Government Securities:** SGS advanced in trading for the week in review, with the longer dated segment of the market doing better, amidst the CPI figures for July picking up the pace versus the month before but by less than anticipated. Benchmark yields closed the week lower by between 3 to 8bps (prior week: 2 to 10bps higher) as at the end of business on Thursday, with the yield curve bull-flattening for the week. **The benchmark SGS 2Y yield fell by 4bps for the week to 1.63%, while the benchmark SGS 10Y yield declined by 6bps to 2.30%.** The rise in bond prices resulted in Bloomberg's Total Return Index unhedged SGD advancing by 0.5% for the week (prior week: -0.6%). The coming week brings the release of the Singapore PMI and Electronic Sector index for the month of August.



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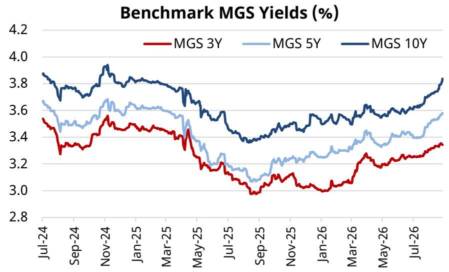

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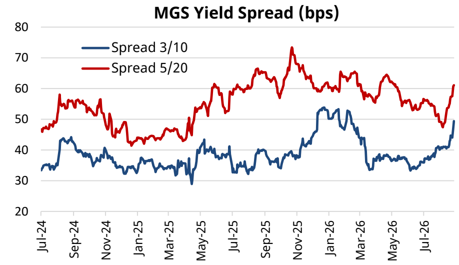

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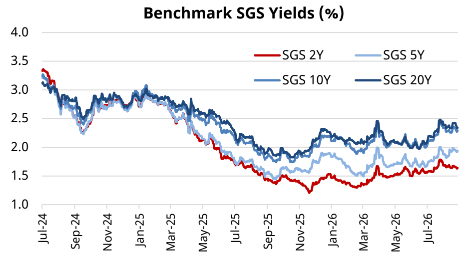


Source: Bloomberg

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
Perbadanan Bekalan Air Pulau Pinang Sdn Bhd	RM5bn Islamic Medium-Term Notes (IMTN) Programme	AAA/Stable	Affirmed
Malaysia Marine and Heavy Engineering Holdings Berhad	RM1bn Sukuk Murabahah Programme	AA-/Positive	Outlook revised
UMW Holdings Berhad	RM2bn Islamic Medium-Term Notes (Sukuk Musharakah) Programme	AA+/Stable	Affirmed
	RM2bn Perpetual Sukuk Programme	AA-/Stable	Affirmed
Rantau Abang Capital Berhad	RM7bn Islamic Medium-Term Notes (Sukuk Musharakah) Programme (2006/2041)	AAA(s)/Stable	Affirmed
Danga Capital Berhad	RM10bn Islamic Securities Programme (2009/2044)	AAA(s)/Stable	Affirmed
Ihsan Sukuk Berhad	RM1bn Islamic MTN Sukuk Ihsan Programme (2015/2040)	AAA(s)/Stable	Affirmed
Danum Capital Berhad	RM20bn Islamic MTN Sukuk Danum Programme (2019/2069)	AAA(s)/Stable	Affirmed

Source: MARC/RAM

HongLeong Bank

Equities

US: The week was defined by a dramatic reversal from the prior week's rate-driven selloff, with Nvidia's blockbuster earnings on 27 August delivering the catalyst that markets had been waiting for. After a risk-off start, chip stocks fell 3.5% on Monday following reports that Nvidia had raised AI server prices by more than 15% for key customers. However, equities ground higher through the week as a broadly constructive macro data slate eased rate anxiety and long-end yields retreated. The S&P 500 gained **+1.2%**, the Dow rose **+1.5%**, and the Nasdaq advanced **+1.8%**. Among mega-caps, Microsoft gained **+5.0%**, Meta recovered **+4.6%**, and Nvidia closed the week up **+5.1%.**

Nvidia reported fiscal Q2 results and guided for approximately 70% revenue growth in fiscal year 2028, describing its supply chain as "currently constrained", a signal that AI infrastructure demand is outstripping production capacity. The stock surged **+8.7%**, one of its biggest single-day gains this year, adding approximately $442 billion in market capitalisation. Salesforce rose **+22.6%**, its biggest single-day gain since 2020, after issuing a strong revenue outlook and deepening its partnership with Anthropic. The result was a sharply bifurcated final session: the S&P 500 rose 0.7% and the Nasdaq gained 1.4%, but 349 of 503 S&P 500 stocks declined and the equal-weight index fell 0.3%. Technology carried the entire market.

We are cautiously bullish. Nvidia's AI demand signal has restored confidence in the growth trade, but the rate path remains the binding constraint. September tends to be a weak month seasonally, but if August is green, which it is this year, and the year-to-date gain is at least double-digits, the odds slightly favour the bulls.

Asia: Taiwan was the clear regional outperformer, with the TAIEX gaining **+2.3%** as TSMC rose **+1.5%** and chip-related names rallied on the Nvidia demand read-through. Korea's KOSPI added **+0.9%**, though the headline again masked significant intraweek volatility: the index fell 3.1% on Monday as investors expressed disappointment over the details of Samsung's shareholder return programme, which favoured dividends over buybacks and fell short of market expectations of up to KRW 140tn, before recovering for three consecutive sessions into Thursday as the Nvidia supply outlook lifted sentiment. Samsung fell approximately 9% on Monday before recovering to close the week down **-2.2%**, while SK Hynix declined around 3% on the same session before ending the week up **+1.9%**.

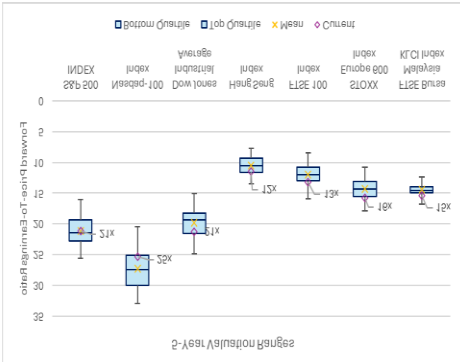
Hong Kong was the regional laggard, with the Hang Seng Index slipping **-0.5%**, weighed down by Alibaba's decision to raise HKD 80bn ($10.2bn) in Hong Kong's largest-ever follow-on equity offering at a discount. The stock fell as much as 10% intraday on 24 August, closing down 8.5% on the day, and ended the week down **-8.5%**. China's CSI 300 posted a modest recovery of **+0.8%**, supported by Chinese chip-related stocks that rallied on the Nvidia demand signal. Haidilao also gained after reporting stronger-than-expected operating profit growth and a higher payout ratio.

MSCI Asia ex Japan faces a stiff resistance now and will likely **consolidate,** albeit looking to break higher to the upside. Nvidia's AI demand signal is a positive for the regional chip supply chain, but Samsung's underperformance and Alibaba's dilutive placement are near-term overhangs.

Malaysia: The KLCI closed the week up **+0.3%**, a resilient outcome against a backdrop of reported foreign fund selling that extended to 3 consecutive weeks as of 24 August. Utilities was the week's best-performing sector at **+2.9%**, followed by Construction at **+1.6%**. REITs was the sole meaningful decliner at **-0.5%**. The YTL complex continued its remarkable run, with YTL Power surging **+13.0%** and YTL Corporation gaining **+5.8%**, both extending multi-week momentum on sustained AI data centre and utilities earnings optimism. Sunway Healthcare added **+3.3%**. On the earnings front, the week's most significant result was Tenaga Nasional (TNB), which reported a substantial miss on Q2 earnings per share, with net income of MYR 888.8mn, down 23% year-on-year, on revenue of MYR 18.2bn, up 8.3% year-on-year. On the positive side, Alliance Bank posted Q1 net income of MYR 248.3mn, up 25% year-on-year; Bank Islam reported Q2 net income of MYR 139.1mn, up 9.8% year-on-year; MBM Resources delivered Q2 net income of MYR 96.0mn, up 32% year-on-year; and Ta Ann reported Q2 net income of MYR 64.8mn, up 19% year-on-year. Inari Amertron's Q4 net income of MYR 6.2mn was weak, reflecting the broader semiconductor cycle pressures.

The KLCI index expansion to 50 constituents (effective 21 December) continues to generate passive rebalancing discussions, with technology, REITs, and industrials names the likely beneficiaries of inclusion. The 1,750 level proves to be a stubborn resistance, supporting a range-bound **pattern** in the short term. The ringgit strength and YTL-led utilities momentum provide near-term support, but persistent foreign selling and the TNB miss are headwinds.

Source: Bloomberg



Source: Bloomberg

Economic Calendar

Date	Time	Country	Event	Period	Prior
31-Aug	7:50	JN	Retail Sales MoM	Jul	-4.10%
	7:50	JN	Industrial Production MoM	Jul P	1.90%
	9:30	CH	Manufacturing PMI	Aug	49.2
	9:30	CH	Non-manufacturing PMI	Aug	49
	16:30	HK	Retail Sales Value YoY	Jul	4.60%
	22:30	US	Dallas Fed Manf. Activity	Aug	1.3
1-Sep	7:00	AU	S&P Global Australia PMI Mfg	Aug F	52
	8:30	JN	S&P Global Japan PMI Mfg	Aug F	55.1
	8:30	MA	S&P Global Malaysia PMI Mfg	Aug	50.7
	9:30	AU	Building Approvals MoM	Jul	7.20%
	9:45	CH	RatingDog China PMI Mfg	Aug	50.9
	13:00	JN	Consumer Confidence Index	Aug	34.9
	16:00	EC	S&P Global Eurozone Manufacturing PMI	Aug F	52.8
	16:30	UK	Mortgage Approvals	Jul	58.2k
	16:30	UK	S&P Global UK Manufacturing PMI	Aug F	51.5
	17:00	EC	CPI Core YoY	Aug P	2.50%
	17:00	EC	Unemployment Rate	Jul	6.30%
	21:45	US	S&P Global US Manufacturing PMI	Aug F	53.2
	22:00	US	ISM Manufacturing	Aug	55.6
	22:00	US	JOLTS Job Openings	Jul	7359k
	22:00	US	Construction Spending MoM	Jul	-0.10%
	22:30	US	Dallas Fed Services Activity	Aug	6.6
2-Sep	9:30	AU	GDP SA QoQ	2Q	0.30%
	10:00	NZ	RBNZ Official Cash Rate		2.50%
	19:00	US	MBA Mortgage Applications	28 Aug	-1.0%
	20:15	US	ADP Employment Change	Aug	44k
	21:00	SI	Purchasing Managers Index	Aug	51.4
	22:00	US	Factory Orders	Jul	-0.30%
3-Sep	2:00	US	Fed Releases Beige Book		
	7:00	AU	S&P Global Australia PMI Services	Aug F	52.9
	8:30	HK	S&P Global Hong Kong PMI	Aug	51
	8:30	SI	S&P Global Singapore PMI	Aug	59.2
	8:30	JN	S&P Global Japan PMI Services	Aug F	52.3
	8:30	VN	S&P Global Vietnam PMI Mfg	Aug	52.9
	9:30	AU	Exports MoM	Jul	9.60%
	9:45	CH	RatingDog China PMI Services	Aug	50.4
	10:05	VN	CPI YoY	Aug	4.45%
	10:05	VN	Exports YoY	Aug	25.00%
	10:05	VN	Industrial Production YoY	Aug	14.50%
	10:05	VN	Retail Sales YoY	Aug	14.50%

	15:00	MA	BNM Overnight Policy Rate		2.75%
	16:00	EC	S&P Global Eurozone Services PMI	Aug F	51.7
	16:30	UK	S&P Global UK Services PMI	Aug F	52.8
	17:00	EC	PPI YoY	Jul	4.60%
	17:30	US	Challenger Job Cuts YoY	Aug	-46.10%
	20:30	US	Trade Balance	Jul	-$73.3b
	20:30	US	Initial Jobless Claims	28-Aug	203k
	21:45	US	S&P Global US Services PMI	Aug F	56.8
	22:00	US	ISM Services Index	Aug	54.1
4-Sep	7:30	JN	Household Spending YoY	Jul	-3.30%
	17:00	EC	Retail Sales MoM	Jul	-0.30%
	20:30	US	Change in Nonfarm Payrolls	Aug	-23k
	20:30	US	Average Hourly Earnings YoY	Aug	3.20%
	20:30	US	Average Weekly Hours All Employees	Aug	34.3
	20:30	US	Unemployment Rate	Aug	4.10%

Source: Bloomberg

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