Global Markets Research

Weekly Market Highlights

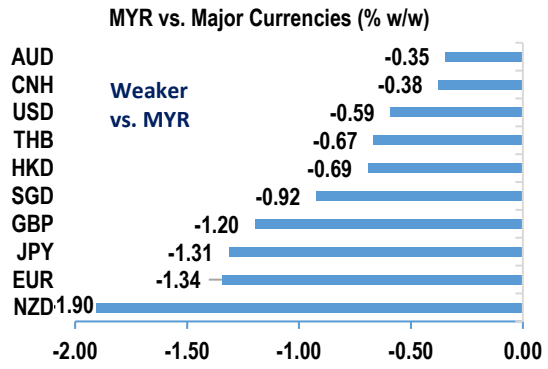
Market

	Last Price	WOW%	YTD %
Dow Jones Ind.	52,342.56	-0.99	8.90
S&P 500	7,720.39	0.74	12.78
FTSE 100	10,722.07	-0.03	7.96
Hang Seng	22,958.65	0.10	-10.42
KLCI	1,611.16	0.19	-4.10
STI	5,396.03	-0.35	16.14
Dollar Index	102.04	0.42	3.62
WTI oil ($/bbl)	102.00	2.54	77.64
Brent oil ($/bbl)	114.88	1.51	88.79
Gold (S/oz)	4,031.40	-0.28	-7.38
CPO (RM/ MT)	4,391.00	-3.52	10.88
Copper ($$/MT)	14,356.50	1.98	15.56
Aluminum($/MT)	3,078.50	2.29	2.77

Source: Bloomberg

- **US stocks closed mixed, mediation efforts kept a lid on crude oil prices:** Crude oil prices started the week with a bump amid mounting concerns that the US-Iran conflict could escalate, but quickly saw their gains narrowed after senior officials from several countries met with Iran's president to de-escalate the tension in the Middle East. At the point of writing, traders are still waiting for the developments on this front and whether the US-Israel would resume strikes on Iran after the US midterm elections. In Wall Street, tech stocks largely drove market sentiment, while investors were also cheering Fed's less hawkish hold. Anthropic's IPO filing kick-started the back-to-back rally for tech stocks, but sentiment turned sour after tech giants like Alphabet disappointed investors with their earnings. Still, the S&P 500 and Nasdaq managed to chalk up gains, rebounding from the prior week's sell-off. The Dow was the outlier and fell, dragged down by job cuts announcements by American Express.
- **BOE, RBA and BNM to decide next week:** Besides the US mid-term election, it will be another heavy week for central bank meetings. BNM is expected to maintain the OPR, but the BOE and RBA are expected to deliver rate hikes. Data wise, we will see the final revisions to the October PMIs for the majors, fresh PMIs for regionals, while focus on the US will be on its slew of monthly labour prints ahead of the highly watched non-farm payroll next Friday. These labour indictors will be accompanied by the ISMs and trade data for the month of September. Outside of the US, Singapore and Eurozone's retail sales are due for release, the latter accompanied by its CPI and PPI, while Japan will publish its labour cash earnings for the month of September.

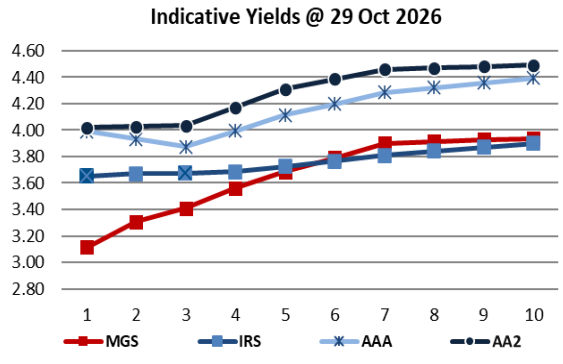
Forex



Source: Bloomberg

- **MYR**: The ringgit strengthened against the USD, with USD/MYR declining by 0.6% to 4.0592 from 4.0833 the prior week, in a week that was largely devoid of domestic data catalysts. The MYR's appreciation against the USD was instead driven by exporter flows and by external factors: the Federal Reserve's hold, which was interpreted as slightly less hawkish than feared, causing short-end US yields to dip - provided some relief to EM currencies including the ringgit. Against the rest of the major currencies, the MYR was broadly stronger for the week, with the most notable outperformance recorded against the NZD (+1.9%), JPY (+1.3%), and EUR (+1.3%). We are ***Neutral-to-Slightly Bearish*** on USD/MYR for the coming week, foreseeing a possible trading range of **4.0200 – 4.0600**. The week ahead is light on domestic data, with the S&P Global Malaysia manufacturing PMI for October due on Monday, and the BNM policy rate decision also scheduled in the coming days - the overnight policy rate is expected to remain on hold at 2.75%.
- **USD**: The DXY climbed higher this week, rising by 0.4% to 102.04 from 101.61 the prior week, as the FOMC's rate pause mid-week was followed by a blowout US Q3 GDP print that cemented the dollar's broad-based strength – though the in-line PCE numbers did not give the hawks any reason to cheer which translated to the late week weakness. While inflation remains above the Fed's 2% target, inflation breadth has been easing, which is an important deliberation to Warsh's subsequent policy setting. We are ***Neutral-to-Slightly Bearish*** on the USD for the coming week, eyeing a probable trading range of 100.80 – 102.70 for the DXY. The coming week features the ISM manufacturing index and a flurry of jobs data releases, which will be the key test of whether the US labour market remains resilient enough to sustain the Fed's tightening path.

Fixed Income



Source: Bloomberg/ BPAM

- **UST:** US Treasuries rangetraded in early week amid cautiousness ahead of FOMC policy decision, which yielded a rate pause as expected. Post-FOMC, the front end advanced as Fed Chair Kevin Warsh signalled a patient and data-dependent approach. This week's data also reaffirmed a still strong US economy and elevated inflation, hence our house views for two more rate hikes, probably one each in December and March. **Overall benchmark yields for the week ended mixed between -4bps and +2bps w/w** (prior: 10-13bps lower) as of the close of business on Thursday. The benchmark 2Y UST yield fell 4bps for the week to 4.60% while the benchmark 10Y UST yield lost 2bps to 4.94%. **We expect USTs to trade with a more constructive note for the week ahead** post FOMC event risks and key growth and inflation data. Focus will now shift to the line-up of job reports ahead of the closely watched nonfarm payroll print next Friday, along with ISM manufacturing and services for October. Fed speaks will also make a return after the end of the communication blackout period.
- **MGS/GII:** Local government bonds remained under pressure and declined for the week in review, as investors preferred to stay on the sideline awaiting FOMC policy decision. The fresh sale of 10Y benchmark MGS 10/36 with an issuance size of RM5.0bn with an added RM0.5bn via private placement was well-received with a BTC ratio of 2.58x at an average yield of 3.92%. **Overall benchmark MGS/GII yields closed the week mixed by between -9 to +7bps w/w** (prior: -6 to +10bps). The benchmark 5Y MGS 6/31 yield rose 6bps for the week at 3.70%, while the benchmark 10Y MGS 7/35 yield advanced by 4bps to 3.93%. Secondary market activity improved for the week, with the average daily secondary market volume for MGS/GII rising by 37% to RM4.54bn. GII trades totalled 28% of government bond trading for the week, bouncing up from the 26% seen the prior week, concentrated on benchmark 3Y GII 10/29 and 20Y GII 5/45. **For the coming week, we expect the MGS/GII markets to trade with a cautious note,** looking for more clues on policy direction from BNM monetary policy meeting. No change to our view for an unchanged OPR next week, but the statement is expected to maintain the flexibility for an eventual policy adjustment, and paved the way for an OPR hike in the first quarter of next year.

Macroeconomic Updates

- **US stocks closed mixed, mediation efforts kept a lid on crude oil prices:** Crude oil prices started the week with a bump amid mounting concerns that the US-Iran conflict could escalate, but quickly saw their gains narrowed after senior officials from several countries met with Iran's president to de-escalate the tension in the Middle East. At the point of writing, traders are still waiting for the developments on this front and whether the US-Israel would resume strikes on Iran after the US midterm elections, and Brent and WTI closed the week higher by 1.5% w/w and 2.5% w/w. In Wall Street, tech stocks largely drove market sentiment, while investors were also cheering Fed's less hawkish hold. Anthropic's IPO filing kick-started the back-to-back rally for tech stocks, but sentiment turned sour after tech giants like Alphabet disappointed investors with their earnings. Still, the S&P 500 and Nasdaq managed to chalk up gains in tune to 0.7% w/w each, rebounding from the prior week's sell-off. The Dow was the outlier and fell 1.0% w/w, dragged down by job cuts announcements by American Express early in the week.

- **FOMC kept its Fed funds rate unchanged as expected in a split vote:** Policy wise, the FOMC kept the fed funds rate unchanged at 3.75-4.00% in a 10-2 majority vote with the 2 dissenters preferring to hike. The accompanying statement contained minimal changes, with economic activity upgraded to expanding at a "strong"pace and that more information will help the Committee determine the appropriate policy stance to ensure a "timely" return of inflation to the Committee's 2% goal. In the press conference, Warsh said that financial conditions have tightened but emphasized that overall conditions cannot be described as "tight," suggesting that the policy is starting to work and future aggressive hikes are unlikely. Outside the housing market, latest indicators largely corroborates Fed's stance that the US economy is strong. The US economy grew at its fastest pace in a year at 3.4% annualised q/q in 3Q (2Q: 2.2% q/q). Private investment (19.4% q/q vs 4.6% q/q), led by AI activities led growth, while consumer spending stayed steady at 3.8% q/q. Net exports subtracted GDP. High frequency data suggest that the economy will enter 4Q with still decent growth. October's Conference Board Consumer Confidence rebounded to 91.7 from 84.2 previously as consumers' appraisals of both the present situation (120.4 vs 111.8) and expectations for the future (72.6 vs 65.7) improved m/m. On the corporate front, solid gains for core capital goods (0.5% vs 1.6% m/m) and imports of capital goods (7.5% m/m vs 4.4% m/m), reinforces a strong capex picture led by AI infra buildout.

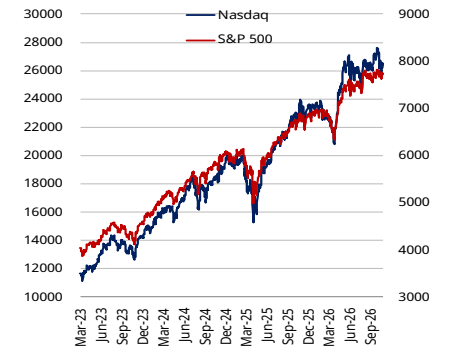
- **ECB maintained policy rates, debated hiking, maintained a measured approach:** In Europe, the ECB kept the interest rates on the deposit facility, the main refinancing operations and the marginal lending facility unchanged at 2.50%, 2.65% and 2.90% respectively. The main argument behind the decision was that underlying inflation has remained broadly stable so far and wages do not show a material response to the energy shocks. The ECB also opines that the financing conditions become more restrictive, laying the groundwork to a potential end to the tightening cycle. At the press conference however, ECB President Christine Lagarde said that the council members debated the possibility of hiking this month, but decided to stick to its measured approach, leaving the door for another hike in December and no change in our view that the ECB will deliver its final hike next month. Economic confidence index, meanwhile, weakened to 96.9 in October from 97.5 previously, as price expectations ticked up.

- **Prices broadly above central banks' targets:** On the inflation front, price pressures have broadly quickened, in nod to hawkish central banks: In the US, both headline and core-PCE prices quickened to 3.6% y/y and 3.1% y/y in September (prior: 3.4% y/y and 3.0% y/y). In Tokyo, headline inflation accelerated to 2.8% y/y in October (prior: 2.7% y/y), while core eased to 2.6% y/y from 2.7% y/y as expected amid subsidies to utilities. Notwithstanding, both the PCE and Tokyo's CPIs remains above their respective central banks' targets and as such, expectations are that both Fed and the BOJ will continue with its tightening cycle. The outlier was Singapore, which saw the headline unexpectedly moderating to 2.2% y/ from 2.3% y/y on account of lower private transport and core inflationary pressure (2.0% y/y vs 2.2% y/y), the latter due to softer services costs (transport and telecommunication) and retail goods like furniture and clothing, thus a hold for MAS in the near term, in our view.

- **Mixed October PMIs for the majors:** October PMIs released for the majors were mixed, relatively steady for the US and Japan, worsened for the Eurozone and Australia, but surprised on the upside for the UK. US composite PMI remained close to its September's high with growth rates for both manufacturing (56.0 vs 55.9) and services (57.9 vs 58.8) among the best seen over the past 5 years. Japan's composite PMI was unchanged at 52.3 as manufacturing sector (53.3 vs 54.1) slowed, while the pace of expansion in services activity (52.0 vs 51.3) picked up pace moderately. Eurozone's and Australia's business activities were under pressure, with the Eurozone's composite PMI sliding to 51.9 (prior: 53.1). The key drag was a renewed drop in French's services sector due to the strikes, but growth also eased for the rest of the eurozone, both for manufacturing (52.4 vs 52.9) and services (51.7 vs 53.0). Australia's manufacturing PMI remained in the contraction territory at 49.7 (prior: 49.6), while its services index slipped below the 50-threshold for the first time since May at 47.8 (prior: 51.9). On the flipside, UK composite PMI rose to 53.1 (prior: 52.0) amid faster growth in both manufacturing (52.8 vs 51.9) and services (53.1 vs 52.1) sectors.

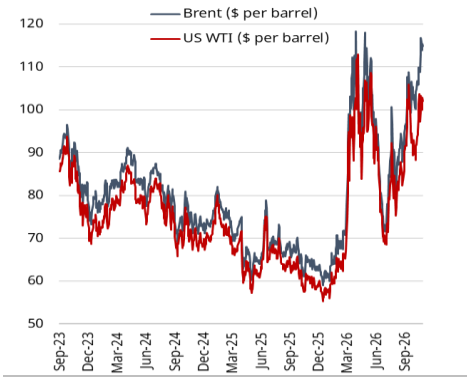
- **BOE, RBA and BNM to decide next week:** Besides the US mid-term election, it will be another heavy week for central bank meetings. BNM is expected to maintain the OPR, but the BOE and RBA to deliver rate hikes. Australia's headline CPI accelerated more than expected to 4.3% y/y from 4.0% y/y previously, suggesting that the upside risks to inflation risks are materializing and CPI is materially above RBA's projections. Data wise, we will see the final revisions to the October PMIs for the majors, fresh PMIs for regionals, while focus on the US will be on its slew of monthly labour prints ahead of the highly watched non-farm payroll next Friday. These labour indictors will be accompanied by the ISMs and trade data for the month of September. Outside of the US, Singapore and Eurozone's retail sales are due for release, the latter accompanied by its CPI and PPI, while Japan will publish its labour cash earnings for the month of September.

Market cheered FOMC's hold decision amid mixed tech earnings



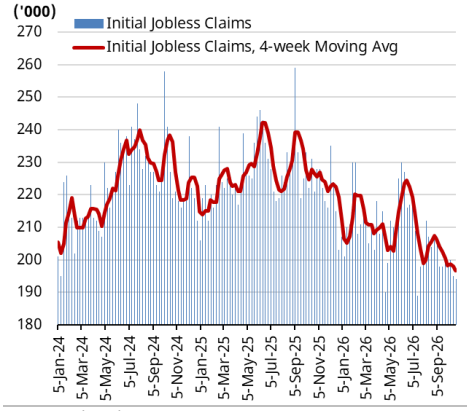
Source: Bloomberg

Mediation efforts helped contain prices



Source: Bloomberg

Low US initial jobless claims in line with Warsh's view that the labour market conditions are positive



Source: Bloomberg

Foreign Exchange

- **MYR**: The ringgit strengthened against the USD, with USD/MYR declining by 0.6% to 4.0592 from 4.0833 the prior week, in a week that was largely devoid of domestic data catalysts. The MYR's appreciation against the USD was instead driven by exporter flows and by external factors: the Federal Reserve's hold, which was interpreted as slightly less hawkish than feared, causing short-end US yields to dip - provided some relief to EM currencies including the ringgit. Against the rest of the major currencies, the MYR was broadly stronger for the week, with the most notable outperformance recorded against the NZD (+1.9%), JPY (+1.3%), and EUR (+1.3%). We are ***Neutral-to-Slightly Bearish*** on USD/MYR for the coming week, foreseeing a possible trading range of **4.0200 – 4.0600**. The week ahead is light on domestic data, with the S&P Global Malaysia manufacturing PMI for October due on Monday, and the BNM policy rate decision also scheduled in the coming days - the overnight policy rate is expected to remain on hold at 2.75%.

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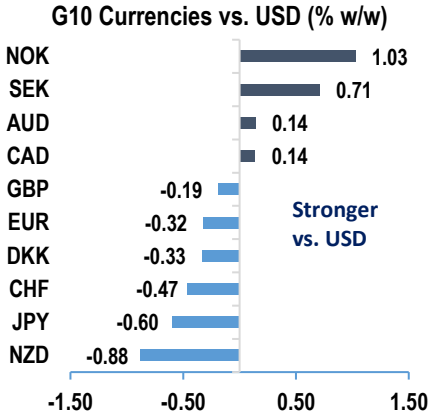
- **EUR**: The Euro retreated this week, declining by 0.3% to 1.1140 from 1.1216 the prior week, as the ECB's hold decision today - while widely expected - was accompanied by a notably less hawkish policy statement and the surprise announcement of President's Lagarde early departure. The data flow for the week was soft: Eurozone PMI composite for October (preliminary) slipped to 51.9 from 53.1 the prior month, with both services and manufacturing easing. We are ***Neutral-to-Slightly Bullish*** for the coming week on a technical rebound, looking at a likely trading range of **1.1100 – 1.1300**. The key event is the Eurozone Q3 GDP flash estimate due today, (consensus: 0.2% QoQ, sharply slower than the 0.6% in Q2), alongside the September unemployment rate. The following week brings the flash October CPI estimate on Tuesday and the final October PMI readings - all of which will inform the debate around the December ECB hike and the pace of any subsequent tightening.

- **GBP**: The pound fell against the USD this week, declining by 0.2% to 1.3376 from 1.3401 the prior week, as a sharp deterioration in UK consumer data outweighed stronger-than-expected PMI prints and kept sterling on the back foot. GfK consumer confidence for October plunged to -24 (well below the -14 consensus and the -13 prior), its weakest reading in several months. We are ***Neutral-to-Slightly Bullish*** for the coming week, foreseeing a possible trading range of **1.3250 – 1.3400**. The key event is the Bank of England rate decision on Thursday, November 5, where a 25bp hike to 4.00% is almost fully priced - the market will focus on the vote split and the accompanying Monetary Policy Report for signals on whether the tightening cycle has further to run. The final October PMI readings for services and composite are also due next week.

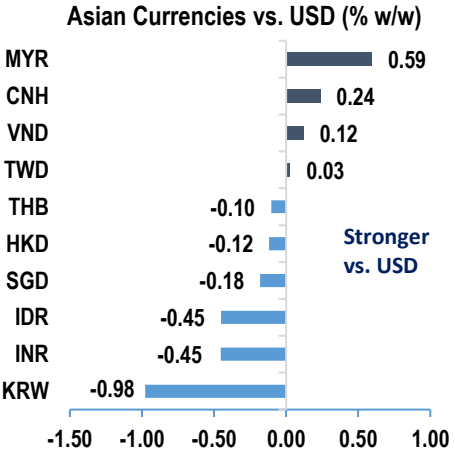
- **JPY**: The Japanese yen depreciated against the USD this week, with USD/JPY rising by 0.6% to 157.71 from 156.77 the prior week, as the wide US-Japan rate differential continued to weigh on the yen and the BOJ showed no urgency to tighten further in the near term. Japan's CPI for September came in matching the consensus and remaining above the BOJ's 2% target, which supported the case for eventual further tightening but did not catalyse immediate yen strength. We are ***Neutral*** on USD/JPY for the coming week, eyeing a probable trading range of **156.00 – 160.00**. The key event is the BOJ rate decision today, where the policy rate is expected to be held at 1.25% - the focus will be on Governor Ueda's press conference and any updated economic forecasts for signals on the December hike timeline.

- **AUD**: Aussie edged higher this week, rising by 0.1% to 0.7030 from 0.7020 the prior week, supported by a slightly firmer-than-expected Australian Q3 CPI print that reinforced the case for further RBA tightening. The RBA's cash rate currently stands at 4.60%, and overnight swaps are pricing an 81% probability of a 25bp hike to 4.85% at the November 3 meeting. Despite the weaker PMI prints, those did not derail the AUD's stability. We are ***Neutral-to-Slightly Bullish*** on AUD/USD for the coming week, looking at a likely trading range of **0.6920 – 0.7100**. The key event is the RBA rate decision on Monday, where the accompanying statement will be scrutinised for any guidance on whether this marks the terminal rate or whether further tightening remains on the table. Also, Melbourne's inflation indicator would provide an early read to price trends alongside consumer expectations, which could influence policy decisions.

- **SGD**: SGD weakened this week, declining by 0.2% to 1.2798 from 1.2775 the prior week, as a string of softer-than-expected Singapore data releases reduced the urgency for further MAS tightening and allowed the USD's broad strength to push the pair higher. Both Singapore's headline and core CPI for September came in below consensus – suggesting that price pressures are moderating more quickly than anticipated. More significantly, Singapore's industrial production for September was a large disappointment, contracting more versus the prior month and defying consensus estimates for growth. This points to a meaningful deceleration in the manufacturing sector after several months of AI-driven electronics strength. We are ***Neutral*** on USD/SGD for the coming week, foreseeing a possible trading range of **1.2720 – 1.2850**. The week ahead sees the release of the Purchasing Managers Index, and the S&P Global Singapore whole economy PMI, which will provide a timely read on whether the manufacturing slowdown seen in the September IPI data is broadening.



Source: Bloomberg



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

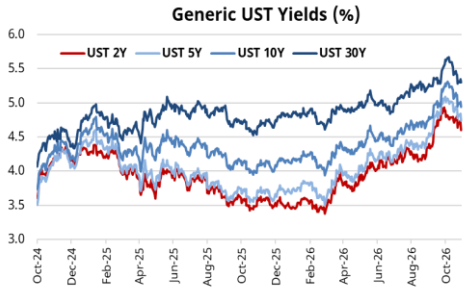
Fixed Income

- **UST:** US Treasuries rangetraded in early week amid cautiousness ahead of FOMC policy decision, which yielded a rate pause as expected even though the decision was split at 10-2 with Lisa Cook and Beth Hammack voted for a 25bps hike. Post-FOMC, the front end advanced as Fed Chair Kevin Warsh signalled a patient and data-dependent approach. He however said financial conditions are tighter, but not tight yet, hinting that any tightening will be measured. This week's data also reaffirmed a still strong US economy and elevated inflation, hence our house views for two more rate hikes, probably one each in December and March. **Overall benchmark yields for the week ended mixed between -4bps and +2bps w/w** (prior: 10-13bps lower) as of the close of business on Thursday. The benchmark 2Y UST yield fell 4bps for the week to 4.60% while the benchmark 10Y UST yield lost 2bps to 4.94%. **We expect USTs to trade with a more constructive note for the week ahead** post FOMC event risks and key growth and inflation data. Focus will now shift to the line-up of job reports ahead of the closely watched nonfarm payroll print next Friday, along with ISM manufacturing and services for October. Fed speaks will also make a return after the end of the communication blackout period.

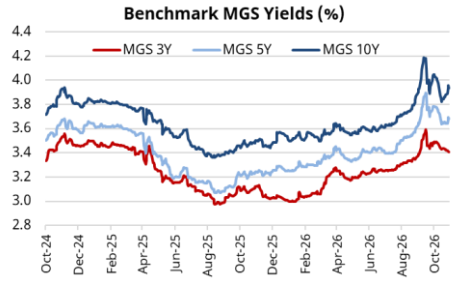
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- **MYR Corporate bonds/ Sukuk**: Trading in the secondary corporate bond/sukuk market saw better traction for the week, with the average daily volume traded increasing by 10% to RM0.48bn (prior week: RM0.44bn). Trading for the week continued to be led by the AA-rated segment of the market. In the GG universe, the interest was led by DANA 9/40, with RM60m traded for the week and the bond last changing hands at 4.46%. Decent interest was also seen in MRL 7/36, with RM50m traded and last switching hands at 4.30%. In the AAA-rated space, YTLP 7/33 led the activity for the week, with RM70m being traded and last swapping hands at 4.47%. Decent interest was also seen in PLUS 1/36, which saw RM60m changing hands for the week and last being traded at 4.48%. SEB 8/35 and TNBPGSB 3/46 also attracted sizeable interests with RM50m changed hands each. Over in the AA-rated arena, trading was led by DRBH 12/29 and MMC 11/29, with RM100m and RM70m of the bonds being dealt for the week and last being traded at 4.54% and 4.50% respectively. In the A-rated segment of the market, trading was led by EWPCB perpetual sukuk, where RM40m swapped hands for the week with the bond last traded at 5.00%.

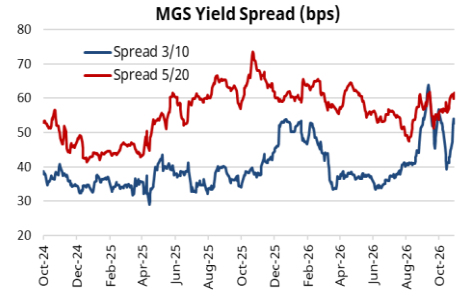
- **Singapore Government Securities:** SGS traded largely in a firmer tone for the week in review, led by the belly of the curve, amidst negative surprises from both industrial production and CPI reports. Benchmark yields closed the week mixed again, between -7 to +1bps (prior week: -3 to +4bps lower) as at the end of business on Thursday. **The benchmark SGS 2Y yield rose by 1bp for the week to 1.87%, while the benchmark SGS 10Y yield fell 7bps to 2.26%.** The mixed nature of bond prices for the week with gains in the longer end of the maturity spectrum resulted in Bloomberg's Total Return Index unhedged SGD registering a gain for the 3rd consecutive week, of 0.5% for the week (prior week: +0.3%). The week ahead sees the release of September retail sales and PMI for October, for better insights on growth momentum in the Singapore economy after last week's IPI miss.



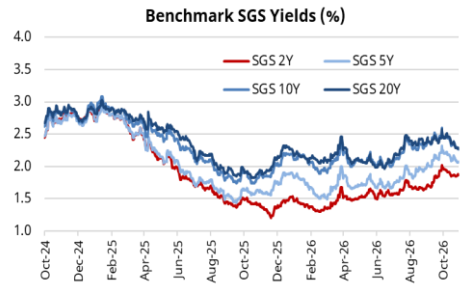
Source: Bloomberg



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Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
Southern Power Generation Sdn Bhd	Outstanding RM2.7bn Sukuk Wakalah	AA+/Stable	Upgraded
Jimah East Power Sdn Bhd	Outstanding RM7.67bn Sukuk Murabahah	AA+/Stable	Upgraded
WM Senibong Capital Berhad	Islamic Medium-Term Notes (Sukuk Wakalah) Programme of up to RM1bn	AA-/Stable	Affirmed
CelcomDigi Telecommunications Sdn Bhd	Proposed RM10bn Islamic Medium-Term Notes Programme (2026/-)	AAA/Stable	Assigned
ORIX Leasing Malaysia Berhad	RM500m Medium-Term Notes (MTN) Programme (2016/2031)	AA2/Positive	Outlook revised
ORIX Credit Malaysia Sdn. Bhd	RM1.5bn MTN Programme (2021/2051)	AA2/Positive	Outlook revised
Solarvest Holdings Berhad	Unsecured and unguaranteed tranches under RM1bn Islamic Medium-Term Notes/Islamic Commercial Papers Programme (2023/2053)	AA3/Stable/P1	Affirmed
Konsortium Lebuhraya Utara–Timur (KL) Sdn Bhd	Proposed Sukuk Murabahah Programme of up to RM2.3bn	AA-/Positive	Assigned preliminary rating
State of Kedah	Sub-sovereign credit rating	AA-/Stable	Affirmed
State of Terengganu	Sub-sovereign credit rating	AA-/Stable	Affirmed

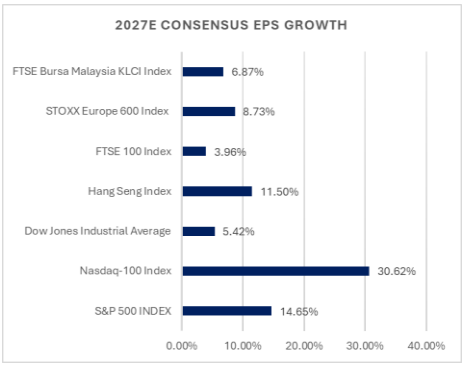
Source: MARC/RAM

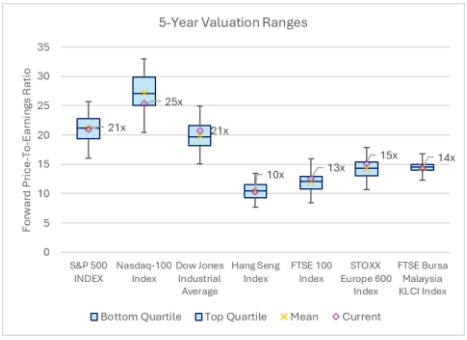
Equities

- **US**: Big tech earnings delivered a split verdict on the AI trade this week, and the market's response was equally divided: the **S&P 500 gained +0.8%** and the **Nasdaq edged up +0.9%**, while the **Dow fell -1.0%** as defensive rotation reversed. The week's defining moment came on 29 October, when Alphabet fell approximately 13%, its largest single-day decline on record and the second-biggest market value wipeout in a single day for any US stock, after reporting search and advertising revenue that fell short of estimates, reinforcing investor concerns that AI is eroding its core business rather than augmenting it. Amazon compounded the late-week pressure, reporting Q3 capital expenditure well above estimates, while sales grew just +12%, the slowest e-commerce growth in three years. Intel's weak demand guidance added a further drag on chipmakers in after-hours trading. The week's countervailing force was Microsoft, which reported Azure cloud revenue growth of 48%, ahead of the 44% consensus estimate, while keeping capital expenditure in check. The result was treated as proof that disciplined AI spending can pay off, and Microsoft followed it with a $25 billion bond offering that drew more than four times demand. Anthropic's formal IPO filing mid-week provided a further AI sentiment boost, briefly reviving enthusiasm for the trade before Alphabet's results extinguished it. The sector picture reflected the week's bifurcated character. Information Technology led all sectors at +2.9% and Industrials gained +2.0%, while Communication Services fell -8.8% - dragged by Alphabet's record decline - and Consumer Staples shed -1.5%. The Alphabet and Amazon earnings aftershocks will set the tone for Friday's open and into next week. The midterm election cycle is approaching - the S&P 500 has historically outperformed after the midterms regardless of the results.

- **Asia**: The **KOSPI's +7.30%** surge was the defining regional event of the week, driven by Anthropic's IPO filing reviving enthusiasm for the AI trade and triggering a sharp short-covering rally in Korean chipmakers. Samsung Electronics gained +8.2% and SK Hynix surged +24.8%, the latter recovering a substantial portion of its prior multi-week collapse. The rally was, however, complicated by Samsung's full divisional earnings release: the company announced capital expenditure would jump more than 60% this year, with HBM chips sold out for 2027 - but chip-division operating income missed estimates and the company declined to outline shareholder payout plans, sending the stock lower on the day of the results despite the strong forward guidance. Elsewhere in the region, the picture was one of fragile stabilisation. The **CSI 300 gained just +0.2%** - a deceptively calm headline that masked significant intraweek volatility. On at least one session, the absence of National Team ETF buying in the afternoon triggered a late-session slide, with the STAR 50 tumbling nearly 5% on that day before partially recovering. The **Hang Seng edged up +0.10%** and the **TAIEX gained 0.7%**, both reflecting the mid-week AI sentiment revival from Anthropic's filing before the late-week Alphabet/Amazon drag. Samsung's shareholder return policy – the lack of details and execution timelines being conspicuously deferred - is the most immediate catalyst for the KOSPI. China's National Team intervention pattern remains the key variable for CSI 300 stability.

- **Malaysia**: The **KLCI edged up +0.2%** in a week that was more notable for its resilience than its direction. The index fell on Monday as selling pressure in utilities and banking heavyweights weighed on sentiment, before recovering through the middle of the week on bargain hunting in oversold stocks. The week's most significant domestic corporate development was Bursa Malaysia's own earnings: the exchange reported Q3 net profit of MYR70.2mn, up 10% year-on-year, with revenue rising 20.3% to MYR216.4mn, driven by stronger securities, derivatives, and Islamic market activity - a read-across for improving domestic market turnover. At the stock level, Nestle Malaysia was the standout gainer at +7.8% - a defensive rotation play as global risk-off sentiment drove buying into consumer staples names with pricing power. Axiata recovered +5.0%, YTL Corp gained +4.4%, Gamuda added +3.5%, and Sunway Bhd rose 3.49%. On the downside, CIMB was the index's largest decliner at -3.6%, extending its recent underperformance as regional risk-off sentiment continued to weigh on its cross-border exposure. IOI Properties fell -1.1%, IHH Healthcare -1.8%, MR DIY -1.7%, and Sunway Healthcare -1.4%. Bank Negara's monetary policy decision is the key domestic catalyst - the rate posture will be closely watched given elevated oil prices. The Alphabet and Amazon earnings aftershocks may weigh on regional sentiment and test the KLCI's recent resilience. The Malacca by-election on 14 November is approaching as the first post-budget electoral test for the administration.





Economic Calendar

Date	Time	Country	Event	Period	Prior
2-Nov	6:00	AU	S&P Global Australia PMI Mfg	Oct F	49.7
	8:30	JN	S&P Global Japan PMI Mfg	Oct F	53.3
	8:30	MA	S&P Global Malaysia PMI Mfg	Oct	49.9
	8:30	VN	S&P Global Vietnam PMI Mfg	Oct	51.9
	8:30	AU	Building Approvals MoM	Sep	-6.10%
	9:45	CH	RatingDog China PMI Mfg	Oct	52.1
	17:00	EC	S&P Global Eurozone Manufacturing PMI	Oct F	52.4
	17:30	UK	S&P Global UK Manufacturing PMI	Oct F	52.8
	21:00	SI	Purchasing Managers Index	Oct	51.7
	22:45	US	S&P Global US Manufacturing PMI	Oct F	56
	23:00	US	ISM Manufacturing	Oct	54.5
	23:00	US	Construction Spending MoM	Sep	0.90%
3-Nov	10:05	VN	CPI YoY	Oct	5.08%
	10:05	VN	Exports YoY	Oct	39.10%
	10:05	VN	Industrial Production YoY	Oct	16.70%
	10:05	VN	Retail Sales YoY	Oct	14.10%
	11:30	AU	RBA Cash Rate Target		4.60%
	16:30	HK	Retail Sales Value YoY	Sep	5.60%
	16:30	HK	GDP YoY	3Q A	4.30%
	23:00	US	JOLTS Job Openings	Sep	7079k
	23:00	US	Factory Orders	Sep	0.10%
4-Nov	6:00	AU	S&P Global Australia PMI Services	Oct F	47.8
	8:30	HK	S&P Global Hong Kong PMI	Oct	49.2
	8:30	SI	S&P Global Singapore PMI	Oct	58.1
	8:30	AU	Household Spending MoM	Sep	0.00%
	9:45	CH	RatingDog China PMI Services	Oct	51.6
	17:00	EC	S&P Global Eurozone Services PMI	Oct F	51.7
	17:30	UK	S&P Global UK Services PMI	Oct F	53.1
	18:00	EC	CPI Core YoY	Oct P	2.50%
	20:00	US	MBA Mortgage Applications	30 Oct	3.40%
	21:15	US	ADP Employment Change	Oct	90k
	21:30	US	US Treasury Quarterly Refunding Announcement		
	21:30	US	Trade Balance	Sep	-$105.6b
	22:45	US	S&P Global US Services PMI	Oct F	57.9
	23:00	US	ISM Services Index	Oct	54.9
5-Nov	8:30	JN	S&P Global Japan PMI Services	Oct F	52
	13:00	SI	Retail Sales YoY	Sep	0.70%
	15:00	MA	BNM Overnight Policy Rate		2.75%
	18:00	EC	PPI YoY	Sep	8.20%
	18:30	US	Challenger Job Cuts YoY	Oct	-19.90%
	20:00	UK	Bank of England Bank Rate		3.75%
	21:30	US	Nonfarm Productivity	3Q P	1.40%
	21:30	US	Unit Labor Costs	3Q P	1.20%
	21:30	US	Initial Jobless Claims	31-Oct	194k
6-Nov	7:30	JN	Scheduled Full-Time Pay - Same Base YoY	Sep	2.80%
	15:00	MA	Foreign Reserves		$132.1b
	18:00	EC	Retail Sales MoM	Sep	0.10%
	21:30	US	Change in Nonfarm Payrolls	Oct	29k
	21:30	US	Average Hourly Earnings YoY	Oct	3.00%

21:30	US	Average Weekly Hours All Employees	Oct	34.4
21:30	US	Unemployment Rate	Oct	4.20%
23:00	US	U. of Mich. Sentiment	Nov P	48

Source: Bloomberg

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