

**Global Markets Research**
**Daily Market Highlights**

## 29 Nov: Muted markets with Wall Street closed for Thanksgiving

**USD closed mixed against G10 peers and regionals amid thin trade**

**European stocks and bonds advanced; led by rally in French bonds**

**Japan's positive data and pick-up in Tokyo's inflation reaffirmed rate hike bets in 2025**

- Wall Street was closed for Thanksgiving. In Europe, Stoxx Eur 600 (+0.5% d/d) snapped its two days losing streak, with tech stocks leading gains amid reports that US curbs on chips sales to China may be lighter than expected. Asian equity markets closed mixed after the Bank of Korea surprised with a 25bps cut in its policy rate, its first back-to-back cut since 2009. Asian markets are likely to open broadly lower today following the futures.
- In the bond space, 10Y European bond yields fell 1-7bps (prior: fell 2-6bps) save for Swedish sovereign bonds. French bonds led the rally, after its finance minister said that he is prepared to make concessions on the 2025 Budget, but did little to shore up months of underperformance.
- In the forex space. DXY closed just above the flatline at 106.05 and the Dollar closed mixed between +/-0.3% d/d against its G10 peers in thin trading due to the holidays. EUR weakened 0.1% d/d against USD after the German CPI came in softer than expected. JPY also depreciated 0.3% d/d, but GBP and AUD strengthened between 0-0.1% d/d each against the Dollar. Similarly, regional currencies closed mixed between +/-0.4% d/d against the greenback, with CNH, MYR and SGD weakening between 0-0.2% d/d to close at 7.2499, 4.4453 and 1.3431 respectively.
- In crude oil, Brent jumped 0.6% d/d ahead of the OPEC+ meeting to discuss oil output curbs, which was re-scheduled to December 5<sup>th</sup>.

### Broadly stable Eurozone economic sentiment

- The Economic Sentiment Indicator (ESI) remained broadly stable, unexpectedly improving 0.1ppts to 95.8 in November. This is just a few points below its long-term average, as the uptick in industry and retail trade were partially offset by lower confidence in services and among consumers. Amongst the largest economies, sentiment improved for France and Spain, but eased for Germany and Italy.

### Upbeat numbers from Japan although below estimates; Tokyo's inflation above 2%, reaffirming rate hike bets for 2025

- In Japan, the job market remained relatively tight with the job-to-applicant ratio unexpectedly ticking up to 1.25 in October from 1.24 previously while the jobless rate inched up 0.1ppts to 2.5% for October as expected.
- Tight labour market has and should continue to support consumer spending going forward and is line with BOJ's view of a moderate increasing trend and tighter policy stance ahead. Retail sales, although below estimates, grew 1.6% y/y and 0.1% m/m in October (prior: 0.7% y/y and -2.2% m/m)
- On the manufacturing front, industrial output grew a faster pace of 3.0% m/m in October from 1.6% m/m previously. Although below estimates, this marks a

### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	44,722.06	-0.31
S&P 500	5,998.74	-0.38
NASDAQ	19,060.48	-0.60
Stoxx Eur 600	507.30	0.46
FTSE 100	8,281.22	0.08
Nikkei 225	38,349.06	0.56
CSI 300	3,872.55	-0.88
Hang Seng	19,366.96	-1.20
Straits Times	3,737.25	0.79
KLCI 30	1,597.49	-0.42
<b>FX</b>		
Dollar Index	106.05	-0.03
EUR/USD	1.0552	-0.13
GBP/USD	1.2687	0.06
USD/JPY	151.55	0.30
AUD/USD	0.6499	0.03
USD/CNH	7.2499	0.07
USD/MYR	4.4453	0.03
USD/SGD	1.3431	0.20
<b>Commodities</b>		
WTI (\$/bbl)	68.72	-0.07
Brent (\$/bbl)	73.28	0.62
Gold (\$/oz)	2,639.90	0.71
Copper (\$\$/MT)	9,002.00	-0.20
Aluminum(\$/MT)	2,599.00	0.13
CPO (RM/tonne)	4,944.50	0.91

Source: Bloomberg, HLBB Global Markets Research  
 \*Dow Jones, S&P 500, Nasdaq, WTI, gold, CPO dated as of 27 November

second month of improvement driven by construction and capital goods, the latter a positive proxy for investment going forward.

- Tokyo's headline and core inflation accelerated more than expected to 2.6% y/y and 2.2% y/y in November (prior: 1.8% y/y for headline and core) as the government reduced energy subsidies and as firms passed on higher costs to consumers. This is in line with BOJ's view that prices are picking up, further firming bets that the policy rate will be increased in 2025.

### House View and Forecasts

FX	This Week	4Q-24	1Q-25	2Q-25	3Q-25
DXY	105-109	105.78	105.51	103.40	102.37
EUR/USD	1.03-1.07	1.05	1.05	1.07	1.08
GBP/USD	1.24-1.28	1.28	1.28	1.31	1.32
USD/JPY	151-157	153	153	148	146
AUD/USD	0.64-0.67	0.65	0.66	0.67	0.68
USD/MYR	4.42-4.50	4.40	4.40	4.30	4.26
USD/SGD	1.33-1.36	1.33	1.33	1.31	1.29

Rates, %	Current	4Q-24	1Q-25	2Q-25	3Q-25
Fed	4.50-4.75	4.25-4.50	4.00-4.25	3.75-4.00	3.75-4.00
ECB	3.25	3.00	2.75	2.50	2.25
BOE	4.75	4.75	4.50	4.25	4.00
BOJ	0.25	0.25	0.50	0.50	0.50
RBA	4.35	4.35	4.35	4.10	3.85
BNM	3.00	3.00	3.00	3.00	3.00

Source: HLBB Global Markets Research

### Up Next

Date	Events	Prior
29-Nov	AU Private Sector Credit MoM (Oct)	0.50%
	JN Consumer Confidence Index (Nov)	36.2
	HK Retail Sales Value YoY (Oct)	-6.90%
	EC ECB 1 Year CPI Expectations (Oct)	2.40%
	UK Mortgage Approvals (Oct)	65.6k
	EC CPI YoY (Nov P)	2.00%
2-Dec	AU S&P Global Australia PMI Mfg (Nov F)	49.4
	JN Capital Spending YoY (3Q)	7.40%
	AU Melbourne Institute Inflation YoY (Nov)	3.00%
	JN Jibun Bank Japan PMI Mfg (Nov F)	49
	MA S&P Global Malaysia PMI Mfg (Nov)	49.5
	VN S&P Global Vietnam PMI Mfg (Nov)	51.2
	AU Building Approvals MoM (Oct)	4.40%
	AU Retail Sales MoM (Oct)	0.10%
	CH Caixin China PMI Mfg (Nov)	50.3
	UK Nationwide House Px NSA YoY (Nov)	2.40%
	EC HCOB Eurozone Manufacturing PMI (Nov F)	45.2
	UK S&P Global UK Manufacturing PMI (Nov F)	48.6
	EC Unemployment Rate (Oct)	6.30%
	SI Purchasing Managers Index (Nov)	50.8
	US S&P Global US Manufacturing PMI (Nov F)	48.8
	US Construction Spending MoM (Oct)	0.10%
US ISM Manufacturing (Nov)	46.5	

Source: Bloomberg

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