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Global Markets Research

Daily Market Highlights

30 Oct: Investors on tenterhooks amid mixed US data & election

UST yields closed lower; DXY closed flat amid mixed US economic indicators

US consumer confidence jumped; but job openings print fell ahead of NFP

All eyes on US PCE prices and BOJ monetary policy decision tomorrow

- A rally in tech stocks lifted Nasdaq to another fresh record overnight, in a busy week of corporate earnings, including from tech giants. The tech-heavy Nasdaq advanced 0.8% d/d, while S&P 500 added 0.2% d/d. The Dow underperformed and slid 0.4% d/d. Alphabet reported 3Q after the bell which beat Wall Street forecasts, but AMD shares tank after its revenue outlook fell short of expectations. Next up are Microsoft, Amazon, and Apple, which are set to report later in the week.
- Elsewhere, European markets closed lower (Stoxx Eur 600: -0.6% d/d, FTSE 100: -0.8% d/d) on disappointing earnings from Novartis and BP, while Asian markets traded mixed with Nikkei 225 extending previous day's gains at +0.8% d/d. Asian markets are set for a muted open today given the mixed tech earnings and economic data overnight.
- In the bond market, Treasury yields closed down by 3-4bps, a turnaround from prior day's 3-5bps increase. The mixed economic data had limited impact on Fed rate cut bets, but investors remained on tenterhooks over the upcoming jobs data, US election and debt refunding announcement. The 2Y yield fell 4bps to 4.10%, while the 10Y slid 3bps to 4.25%. 10Y European bond yields closed up between 1-9bps, also a turnaround from the prior day's 1-3bps decline. The sell-off was driven by the possibility of greater fiscal spending from both the US and UK.
- In the forex space, DXY closed flat at 104.32, having trimmed some of its earlier gains after the JOLTS job openings data fell in the US, although consumer confidence improved more than expected. The Dollar closed mixed against its G10 peers, with JPY weakening 0.1% d/d to 153.36 against USD on Japan's political uncertainty. EUR and GBP appreciated by 0.1% d/d and 0.3% d/d respectively against USD, the latter ahead of its Autumn Budget announcement today. Meanwhile, regional currencies mostly weakened against the greenback, led by MYR (-0.4% d/d to 4.3785), IDR and KRW. SGD depreciated slightly by 0.1% d/d to 1.3241, but CNH closed just above its flatline at 7.1428 on potentially more stimulus from China.
- Oil prices fell another day (0.3-0.4% d/d) after Israel's strikes on Iran spared the republic's oil and nuclear facilities, easing concerns over a wider war and disruption in global supplies.

Mixed data from the US: consumer confidence rose to its highest since March 2021; jobs opening fell; modest home price appreciation; goods trade deficit widened

- The Conference Board's Consumer Confidence index rose more than expected to its highest since March 2021 at 108.7 in October (prior: 99.2). October's

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	42,233.05	-0.36
S&P 500	5,832.92	0.16
NASDAQ	18,712.75	0.78
Stoxx Eur 600	517.99	-0.57
FTSE 100	8,219.61	-0.80
Nikkei 225	38,903.68	0.77
CSI 300	3,924.65	-1.00
Hang Seng	20,701.14	0.49
Straits Times	3,590.36	0.00
KLCI 30	1,615.08	0.29
FX		
Dollar Index	104.32	0.00
EUR/USD	1.0819	0.06
GBP/USD	1.3015	0.33
USD/JPY	153.36	0.05
AUD/USD	0.6561	-0.33
USD/CNH	7.1428	-0.03
USD/MYR	4.3785	0.37
USD/SGD	1.3241	0.11
Commodities		
WTI (\$/bbl)	67.21	-0.25
Brent (\$/bbl)	71.12	-0.42
Gold (\$/oz)	2,768.40	0.93
Copper (\$\$/MT)	9,530.50	-0.12
Aluminum(\$/MT)	2,659.00	0.51
CPO (RM/tonne)	4,693.00	0.10

Source: Bloomberg, HLBB Global Markets Research
* Dated as of 28 Oct for CPO

increase was broad-based but notably, consumers showed some cautious optimism over future job availability, its first since July 2023.

- In a sign of a cooling labour market, job openings fell more than expected to its lowest since early 2021 at 7.4m in September (prior: 7.9m downwardly revised), while layoffs also picked up slightly to 5.2m. According to the JOLTS Job Openings report, the pullback in vacancies was led by health care & social assistance, government as well as accommodation & food services, the latter expected after the peak of the summer season.
- Goods trade deficit widened more than expected to its largest since March 2022 at \$108.2bn in September (prior: -\$94.20bn), reflecting retailers stocking up on consumer goods ahead of the holiday shopping season, and partially due to businesses racing to beat the potential dockworkers' strike. Exports fell 2.0% m/m after August's 2.9% m/m gain, while imports grew 3.8% m/m after August's -1.4% m/m. Imports of consumer goods notably jumped 5.8% m/m.
- In the housing market, home price appreciations were more modest, as the still elevated interest rates led to affordability challenges. Both the FHFA and S&P CoreLogic Case-Shiller House Price Indices eased to 4.2% y/y and 4.3% y/y respectively in August, a deceleration from the prior month's +4.7% y/y and 4.9% y/y.
- The Dallas Fed Services Activity rebounded 5 points to +2 in October, marking its first positive reading in more than 2 years although its labour market sub-indices suggested no growth in employment. Wage and input price pressures increased, while selling price growth held steady.

UK mortgage approvals rose to its highest in 2 years

- Mortgage approvals unexpectedly rose to its highest levels in 2 years at 65.6k in September (prior: 65.0), marking the third monthly increase as falling interest rates attract buyers back into the property market. The 'effective' interest rate, the actual interest paid, on newly drawn mortgages decreased 8bps to 4.76% during the month, and prospect of further cuts in the coming months would lend support to housing demand and home prices going forward. Accompanying data also showed that net consumer credit fell more than expected to £1.2bn from £1.4bn previously, due to lower net borrowing through credit cards and other forms of consumer credit, such as auto and personal loans.

Singapore's unemployment rate eased to 1.8%; suggesting a still tight labour market

- Unemployment rate eased more than expected to 1.8% in September from 2.0% previously, although forward-looking polls showed a decline in hiring and wage expectations in 4Q due to ongoing uncertainty in the export-oriented industries. Employment levels at this level, nonetheless, suggests a still tight labour market for Singapore.

House View and Forecasts

FX	This Week	4Q-24	1Q-25	2Q-25	3Q-25
DXY	102-106	101.56	100.54	99.53	99.04
EUR/USD	1.07-1.10	1.11	1.12	1.13	1.14
GBP/USD	1.28-1.31	1.33	1.35	1.36	1.37
USD/JPY	147-154	146	142	138	135
AUD/USD	0.65-0.68	0.68	0.69	0.70	0.71
USD/MYR	4.30-4.37	4.25	4.20	4.15	4.10
USD/SGD	1.30-1.33	1.31	1.29	1.27	1.25

Rates, %	Current	4Q-24	1Q-25	2Q-25	3Q-25
Fed	4.75-5.00	4.25-4.50	3.75.-4.00	3.50-3.75	3.25-3.50
ECB	3.25	3.00	2.75	2.50	2.25
BOE	5.00	4.75	4.50	4.25	4.00
BOJ	0.25	0.25	0.40	0.40	0.55
RBA	4.35	4.35	4.10	3.85	3.60
BNM	3.00	3.00	3.00	3.00	3.00

Source: HLBB Global Markets Research

Up Next

Date	Events	Prior
30-Oct	AU CPI Trimmed Mean YoY (Sep)	3.40%
	JN Consumer Confidence Index (Oct)	36.9
	EC Economic Confidence (Oct)	96.2
	EC GDP SA QoQ (3Q A)	0.20%
	US MBA Mortgage Applications	-6.70%
	US ADP Employment Change (Oct)	143k
	US GDP Annualized QoQ (3Q A)	3.00%
31-Oct	US Pending Home Sales MoM (Sep)	0.60%
	JN Retail Sales MoM (Sep)	0.80%
	JN Industrial Production MoM (Sep P)	-3.30%
	AU Retail Sales MoM (Sep)	0.70%
	CH Manufacturing PMI (Oct)	49.8
	CH Non-manufacturing PMI (Oct)	50
	HK GDP YoY (3Q A)	3.30%
	EC CPI Core YoY (Oct P)	2.70%
	EC Unemployment Rate (Sep)	6.40%
	US Challenger Job Cuts YoY (Oct)	53.40%
	US Employment Cost Index (3Q)	0.90%
	US Personal Income (Sep)	0.20%
	US Personal Spending (Sep)	0.20%
	US Core PCE Price Index YoY (Sep)	2.70%
US Initial Jobless Claims	227k	
JN BOJ Target Rate	0.25%	

Source: Bloomberg

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