

Global Markets Research

Weekly Market Highlights

Market

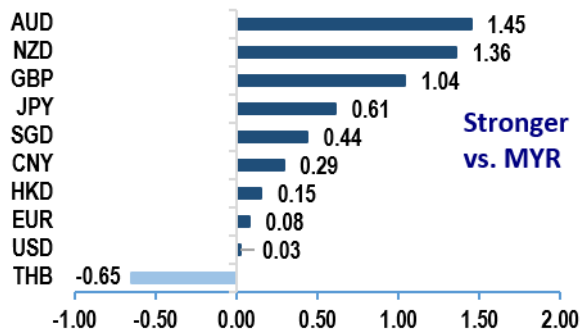
	Last Price	WOW%	YTD %
Dow Jones Ind.	52,867.98	1.32	10.00
S&P 500	7,663.43	-1.04	11.95
FTSE 100	10,725.03	-1.06	7.99
Hang Seng	22,934.68	-4.69	-10.52
KLCI	1,608.14	-0.96	-4.28
STI	5,415.14	0.22	16.55
Dollar Index	101.62	-0.38	3.35
WTI oil (\$/bbl)	99.47	1.53	84.43
Brent oil (\$/bbl)	113.17	6.84	85.98
Gold (\$/oz)	4,042.80	-2.53	-6.87
CPO (RM/ MT)	4,551.00	2.80	14.03
Copper (\$\$/MT)	14,078.00	-1.87	13.32
Aluminum(\$/MT)	3,009.50	0.75	0.47

Source: Bloomberg

- US stocks closed mixed; crude oil prices rallied:** It was a quieter end in terms of economic events, but notably, Fed Chair Kevin Warsh was quiet on the policy rate path at an IMF event and this saw traders took that as a sign that the central bank will hold policy steady later this month. This pushed UST yields lower for the shorter tenures during the day, but proved to be a non-event for the broader equity markets. Rather, stocks continued to be swung by movements in crude oil prices and on/off wagers on tech stocks, the latter in a tug of war between a slew of earnings beats versus concerns over how much tech companies are borrowing for the AI buildout. Meanwhile, crude oil prices were higher amid signs that the violence in the Middle East as well as between Ukraine-Russia are escalating.
- FOMC, ECB and BOJ likely to hold rates next week:** The final week of October will see major events like monetary policy meetings by the FOMC, ECB and BOJ and on the fiscal front, the tabling of Autumn fiscal budget in the UK. Data wise, advanced reading for 3Q GDPs are up on deck for the US and Eurozone, US accompanied by a slew of 1st tier data like the core-PCE, personal income/spending, Conference Board's consumer confidence, durable goods, trade and housing indicators. Australia CPI will also be scrutinized after RBA's recent signal of a hawkish pause.

Forex

MYR vs. Major Currencies (% w/w)

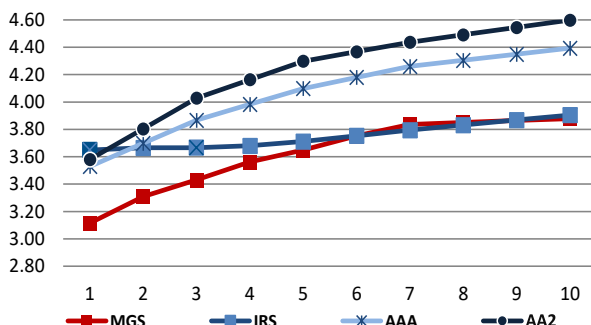


Source: Bloomberg

- MYR:** MYR was little changed in trading against the USD this week, closing on Thursday at 4.0833 from 4.0822(+0.2%) the week before, amidst advanced 3Q GDP figures coming in ahead of expectations. Other data that we got during the week saw exports for September unexpectedly strengthen further, while CPI for the month unexpectedly cooled by a notch. Against the rest of the G10 currencies, the MYR was weaker across the board, while versus major regional currencies it was mixed, gaining ground against the PHP (+0.7%) while depreciating the most versus the KRW (-1.2%). We are **Neutral-to-Slightly Bullish** on USD/MYR for the week ahead, looking at a likely trading range of 4.0650 – 4.1075. The coming week brings an empty economic data calendar, so trading in the pair should be influenced by the rest of USD/Asia and the USD at large.
- USD:** The DXY depreciated in trading this week for a second straight week, falling by 0.4% (prior: -0.1%) to 101.61 from 102.00 the prior week, amidst a larger than anticipated deterioration in the NAHB Housing Market index for October while housing starts for September unexpectedly fell while pending home sales for the month hit a record low, all signalling that the sharp rise in mortgage rates over the last quarter may be starting to take its toll. We are **Neutral-to-Slightly Bullish** on the USD for the coming week, foreseeing a possible trading range of 100.50 – 103.00 for the DXY. It's a much heavier week ahead, with the FOMC set to decide on policy and we are also due to get the advanced reading of 3Q GDP, the core PCE index and new home sales figures for September, and the Conference Board's consumer confidence index and the preliminary S&P Global US PMIs for the month of October.

Fixed Income

Indicative Yields @ 22 Oct 2026



Source: Bloomberg/ BPAM

- UST:** US Treasuries rallied for the week in review, amidst continued concerns over the valuation of artificial intelligence linked and technology stocks, triggering a flight to quality move. The pricing of rate hikes by the Fed this year eased during the week, with 21bps of hikes priced in for the remainder of 2026 (prior: 27bps). **Overall benchmark yields for the week were lower by between 10 to 13bps w/w** (prior: 2 to 19bps lower) as of the close of business on Thursday. The benchmark 2Y UST yield fell by 10bps for the week to 4.64% while the benchmark 10Y UST yield declined by 11bps to 4.95%. **We expect USTs to trade with a more balanced tone for the week ahead.** The coming week is a busy one, amidst the FOMC meeting to decide on policy, where they are expected to leave rates unchanged this time round after hiking during the previous FOMC, and also features the release of advanced 3Q GDP, the core PCE index for September, the consumer confidence index for October from the Conference Board, as well as the preliminary S&P Global US PMIs for October.
- MGS/GII:** Local government bonds declined for the week in review, amidst advanced 3Q GDP and exports for September both coming in ahead of expectations, while inflation for the month unexpectedly cooled by a notch. The re-opening auction of RM3.0bn of the benchmark 20Y GII 5/45 also took place during the week and it was decently received, drawing a moderate BTC of 2.286x. **Overall benchmark MGS/GII yields closed the week mixed by between -6 to +10bps w/w** (prior: 0 to 19bps lower). The benchmark 5Y MGS 6/31 yield was little changed for the week at 3.64%, while the benchmark 10Y MGS 7/35 yield advanced by 9bps to 3.89%. **For the coming week, we expect the MGS/GII markets to trade on a more constructive note.** The week ahead sees little in terms of economic data, with no releases scheduled, and government bond funding for the month will conclude with the announcement of a fresh 10Y MGS benchmark and we expect RM5bn to be put up for auction.

Macroeconomic Updates

- US stocks closed mixed; crude oil prices rallied:** It was a quieter end in terms of economic events, but notably, Fed Chair Kevin Warsh was quiet on the policy rate path at an IMF event and this saw traders took that as a sign that the central bank will hold policy steady later this month. This pushed UST yields lower for the shorter tenures during the day, but proved to be a non-event for the broader equity markets. Rather, stocks continued to be swung by movements in crude oil prices and on/off wagers on tech stocks, the latter in a tug of war between a slew of earnings beats versus concerns over how much tech companies are borrowing for the AI buildout. US equity indices closed mixed, with Nasdaq lagging at -2.6% w/w, S&P 500 losing 1.0% w/w while the Dow added 1.3% w/w. Crude oil prices were higher again by 1.5-6.8% w/w, amid signs that the violence in the Middle East as well as between Ukraine-Russia are escalating.
- PBoC maintained lending rates as expected:** In terms monetary policy, the People's Bank of China (PBoC) maintained its 1Y and 5Y loan prime rates unchanged at 3.00% and 3.50% respectively this week and at the same time, signalled that the overnight repo rate may replace the current 7-day rate as the new policy benchmark, a switchover that may lead to lower borrowing costs. Data wise, China's 3Q GDP came above forecast, quickening more than expected from 4.3% y/y in 2Q to 4.5% y/y in 3Q. This brings YTD growth to 4.6% y/y amid continued strong export growth bolstered by the global investment super-cycle in AI. Latest September indicators (IPI: 5.5% y/y vs 5.2% y/y and retail sales: 1.1% y/y vs 0.4% y/y) also suggest that growth momentum has generally improved towards the end of 3Q and we expect growth to be sustained into 4Q, consistent with the recent recovery in the PMIs and coinciding with the recent increase in targeted policy support. As such, there is no change in our view that full-year growth will remain within Beijing's 4.5-5.0% target range, albeit likely at the lower end of the range.
- Still solid export growth for Japan and labour market for the UK; weaker data for the Eurozone:** Outside of the US, Japan continued to see solid albeit softer export growth (16.7% y/y vs 19.3% y/y) supported by chip and auto demand, while headline and core CPI for September accelerated above BOJ's target at 2.1% y/y for both the headline and core readings (prior: 1.9% y/y and 1.7% y/y), backing the case for BOJ rate hike(s). This is in line with our view for another hike at least, albeit likely only in 1Q of 2027.

Similarly, UK prints were broadly stronger than expected, leaving the BOE on track for a rate hike next month. Notably, headline CPI jumped to its 11-month high at 3.5% y/y (prior: 3.1% y/y) as diesel prices hit a record while services CPI also quickened on airfares and recreation & culture. Also topping estimates were its core-CPI (2.8% y/y vs 2.6% y/y), services inflation (3.7% y/y vs 3.4% y/y) and PPI-input (8.3% y/y vs 6.7% y/y). On the labour front, payrolls increased at a faster pace of 13k, picking up momentum from +1k previously, while unemployment rate eased to its lowest since July 2025 at 4.7% in August (prior: 4.9%). Private wage growth ex-bonus accelerated for the first time since 2024 to 3.0% y/y from 2.9% y/y previously, keeping concerns over wage-push inflation alive.

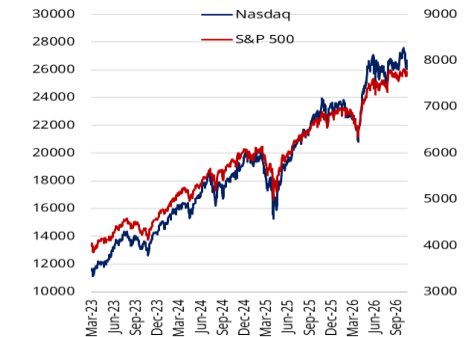
In contrast, Eurozone's data was more downbeat. August saw trade balance swinging to a deficit of €16.1bn from +€14.2bn previously as the energy deficit widened, not boding well for GDP calculation in 3Q and likely into 4Q. Consumer confidence (-17.9 vs -16.8) and economic expectations (-7.3ppts to 18.5) indices also tumbled in October, all suggesting that an economic recovery appears unsustainable, weighed down by still weak private consumption and investment, while real incomes remained under pressure.

- FOMC, ECB and BOJ likely to hold rates next week:** While the current week is relatively quiet on the macro front, the final week of October will see major events like monetary policy meetings by the FOMC, ECB and BOJ and on the fiscal front, the tabling of Autumn fiscal budget in the UK. While a hold is expected for all central banks, broadly resilient economic data and elevated inflationary pressures continue to signal tightening bias over a medium term.

September saw another decent IPI report for the US. Output grew by 0.7% m/m (prior: 0.1% m/m) with manufacturing output rebounding to +0.3% m/m from a 0.2% m/m decline previously. Outside the drag from the auto sector, details suggest that producers continue to benefit from the resilient consumer spending as well as the boom in AI investment. The 6-month growth rate for the leading index for September continued to signal that the economy is and will continue to expand. On the flip side, housing market conditions weakened as the fast-rising mortgage rates dampened home affordability and will likely to remain a drag on the interest-rate-sensitive sector in the coming months. Pending home sales fell 7.3% m/m (prior: 0.3% m/m), while housing starts and building permits also dropped 5.2% m/m (prior: -5.9% m/m) and 12.6% m/m (prior: -4.7% m/m), trailing estimates.

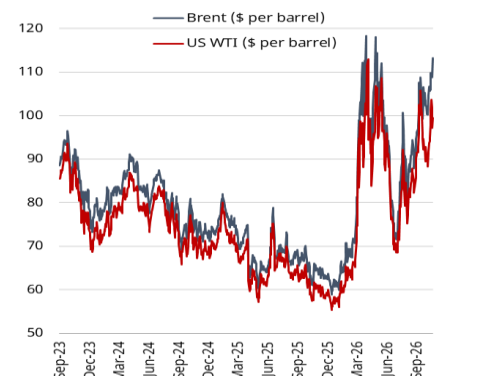
- Advanced 3Q GDPs and US-core PCE in focus next week:** In the week ahead, advanced reading for 3Q GDPs are up on deck for the US and Eurozone, US accompanied by a slew of 1st tier data like the core-PCE, personal income/spending, Conference Board's consumer confidence, durable goods, trade and housing indicators like new home sales and home prices, and the Eurozone by its unemployment rate and economic confidence index. Consumer credit and mortgage approvals indicators are due for release from the UK and industrial profits number from China. Last but not least, Singapore and Japan will publish their September's IPI, the latter accompanies by its retail sales, PPI, jobless rate, consumer confidence as well as Tokyo's CPI for the month of October.

Appetite for US stocks plagued by AI concerns in an environment of earnings beats



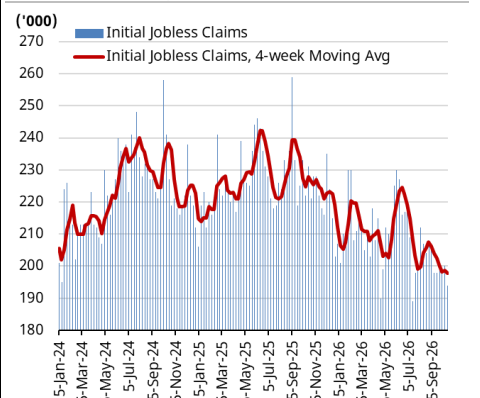
Source: Bloomberg

Signs of escalating geopolitical tension sent energy prices higher again



Source: Bloomberg

3-month low US initial jobless claims reinforced the case of limited layoffs

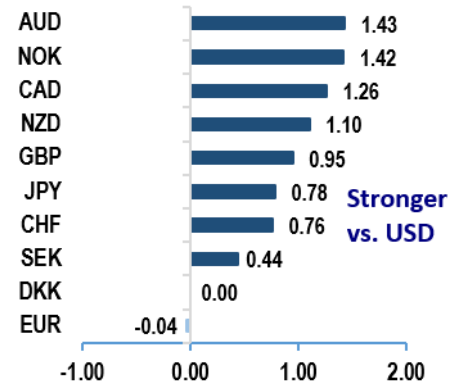


Source: Bloomberg

Foreign Exchange

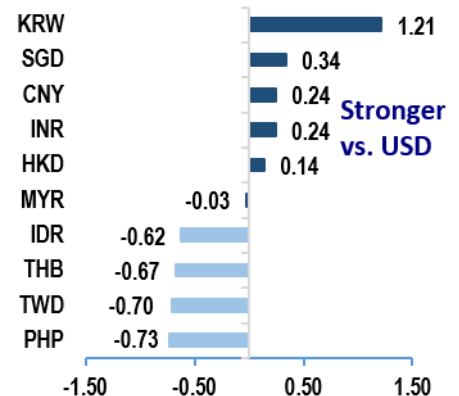
- MYR:** MYR was little changed in trading against the USD this week, closing on Thursday at 4.0833 from 4.0822(+0.2%) the week before, amidst advanced 3Q GDP figures coming in ahead of expectations. Other data that we got during the week saw exports for September unexpectedly strengthen further, while CPI for the month unexpectedly cooled by a notch. Against the rest of the G10 currencies, the MYR was weaker across the board, while versus major regional currencies it was mixed, gaining ground against the PHP (+0.7%) while depreciating the most versus the KRW (-1.2%). We are **Neutral-to-Slightly Bullish** on USD/MYR for the week ahead, looking at a likely trading range of 4.0650 – 4.1075. The coming week brings an empty economic data calendar, so trading in the pair should be influenced by the rest of USD/Asia and the USD at large.
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- EUR:** EUR was little changed in trading this week, closing on Thursday at 1.1216 (prior: +0.1%) against the USD from 1.1220 the week before, amidst continued protests across some of the member nations of the common currency area. The final Eurozone CPI figures for September came in unchanged from the earlier flash estimates, while a deterioration was seen in the preliminary consumer confidence for October. We are **Neutral** on the EUR/USD for the week ahead, eyeing a probable trading range of 1.1100 – 1.1325 for the currency pair. The coming week brings the release of the Eurozone preliminary PMIs and Economic index for October, as the ECB meets to deliberate on policy, where they are expected to hold rates steady this time round after a 25bps hike at the previous meeting in September.
- GBP:** The GBP advanced against the greenback in trading this week for a third week on the trot, climbing by 1.0% w/w (prior: +0.4% w/w) to 1.3401 from 1.3275 the prior week, amidst the CPI figures for September surprising on the upside, increasing expectations that the Bank of England will hike the policy rate at its coming meeting on 05 Nov. We are **Neutral-to-Slightly Bearish** on the Cable for the coming week, looking at a likely trading range of 1.3250 – 1.3525. The week ahead is set to be an eventful one, with the retail sales report and mortgage approvals for September scheduled for release, as well as the preliminary UK PMIs for October, amidst the presentation of the UK Budget by the Chancellor of the Exchequer John Healey.
- JPY:** The Japanese Yen appreciated against the USD in trading this week, rising by 0.8% (prior: -0.1%) to 156.77 from 158.00 the week before, amidst a larger than anticipated trade deficit for September. BoJ Governor Ueda mentioned during the week that underlying inflation is already roughly around 2% and that the central bank cannot tolerate it rising further, is a signal that they will raise rates further in the month ahead. We are **Neutral** on USD/JPY for the week ahead, foreseeing a possible trading range of 155.00 – 158.50. After the national CPI figures for September came out as expected on the headline but slightly hotter than anticipated on the core level this morning, the coming week brings the release of department store sales figures for September, as well as the consumer confidence index for October ahead of the Bank of Japan's policy meeting next Friday.
- AUD:** AUD gained ground against the USD in trading this week, appreciating by 1.4% (prior: -0.5%) to 0.7020 from 0.6921 the prior week, amidst an empty economic data calendar for the week and RBA Deputy Governor Andrew Hauser stating that inflation is materially worse than the central bank's expectations and the that RBA faces a tough decision on whether to raise rates for a fifth time this year at its upcoming policy meet. We are **Neutral-to-Slightly Bearish** on AUD/USD for the coming week, eyeing a probable trading range of 0.6900 – 0.7125 for the currency pair. After the preliminary composite Australian PMI for October deteriorated this morning on a slowing in the services sector, the week ahead sees the release of the important quarterly CPI figures for 3Q as well as the CPI for the month of September.
- SGD:** SGD was firmer against the USD this week for the first week in seven, advancing by 0.3% (prior: -0.1%) to 1.2775 from 1.2818 the week before, amidst non-oil domestic exports for September unexpectedly surging further, buoyed by increasing exports to Hong Kong and Taiwan. Against other G10 currencies, the SGD was mostly weaker except against the EUR (+0.4%) and DKK (+0.4%), while versus major regional currencies, the SGD was stronger across the board except versus the KRW (-0.9%). We are **Neutral-to-Slightly Bullish** on USD/SGD for the week ahead, looking at a likely trading range of 1.2675 – 1.2900. The coming week brings the release of the CPI and industrial production figures for September, as well as the unemployment rate for the month.

USD vs. G10 Currencies (%)
w/w)



Source: Bloomberg

USD vs Asian Currencies (%)
w/w)



Source: Bloomberg

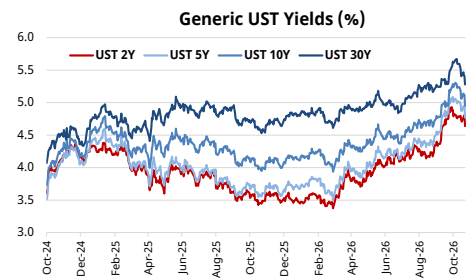
Forecasts

	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

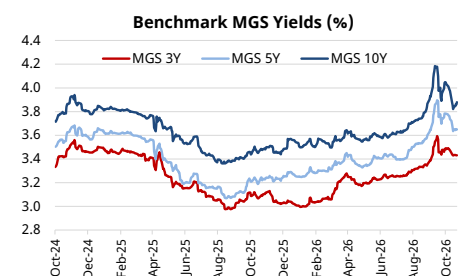
Source: HLBB Global Markets Research

Fixed Income

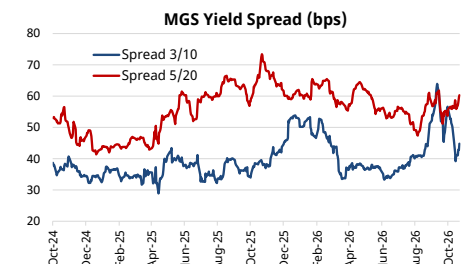
- UST:** US Treasuries rallied for the week in review, amidst continued concerns over the valuation of artificial intelligence linked and technology stocks, triggering a flight to quality move. There was little in terms of Tier-1 data for the week, with the releases for the week indicating that the housing market could be slowing as a result of the sharp rise in yields and resultant higher mortgage rates over the past quarter. The pricing of rate hikes by the Fed this year eased during the week, with 21bps of hikes priced in for the remainder of 2026 (prior: 27bps). **Overall benchmark yields for the week were lower by between 10 to 13bps w/w** (prior: 2 to 19bps lower) as of the close of business on Thursday. The benchmark 2Y UST yield fell by 10bps for the week to 4.64% while the benchmark 10Y UST yield declined by 11bps to 4.95%. **We expect USTs to trade with a more balanced tone for the week ahead.** The coming week is a busy one, amidst the FOMC meeting to decide on policy, where they are expected to leave rates unchanged this time round after hiking during the previous FOMC, and also features the release of advanced 3Q GDP, the core PCE index for September, the consumer confidence index for October from the Conference Board, as well as the preliminary S&P Global US PMIs for October.
- MGS/GII:** Local government bonds declined for the week in review, amidst advanced 3Q GDP and exports for September both coming in ahead of expectations, while inflation for the month unexpectedly cooled by a notch. The re-opening auction of RM3.0bn of the benchmark 20Y GII 5/45 also took place during the week and it was decently received, drawing a moderate BTC of 2.286x. **Overall benchmark MGS/GII yields closed the week mixed by between -6 to +10bps w/w** (prior: 0 to 19bps lower). The benchmark 5Y MGS 6/31 yield was little changed for the week at 3.64%, while the benchmark 10Y MGS 7/35 yield advanced by 9bps to 3.89%. Secondary market activity eased for the week, with the average daily secondary market volume for MGS/GII declining by 35% to RM3.32bn for the week in review versus the daily average of RM5.13bn seen the week before, driven by a 51% decrease in the average daily GII volume. Trading for the week was again led by the off-the-run MGS 11/26, which saw RM3.01bn swapping hands, while keen interest was also seen in the benchmark 7Y MGS and the off-the-run MGS 5/27, with RM1.62bn and RM1.57bn traded respectively. GII trades totalled 26% of government bond trading for the week, coming off from the 35% seen the prior week. **For the coming week, we expect the MGS/GII markets to trade on a constructive note.** The week ahead sees little in terms of economic data, with no releases scheduled, and government bond funding for the month will conclude with the announcement of a fresh 10Y MGS benchmark and we expect RM5bn to be put up for auction.
- MYR Corporate bonds/ Sukuk:** Trading in the secondary corporate bond/sukuk market was better offered for the week in review. Activity fell for the week, with the average daily volume traded coming off by 20% to RM0.44bn (prior week: RM0.55bn). Trading for the week was led by the AA-rated segment of the market. In the GG universe, the interest was led by MRL 8/31, with RM190m traded for the week and the bond last changing hands at 3.96%. Decent interest was also seen in PRASA 1/36, with RM90m traded and last switching hands at 4.21%. In the AAA-rated space, SEB 1/27 led the activity for the week, with RM80m being traded and last swapping hands at 3.88%. Decent interest was also seen in TOYOTACAP 9/33, which saw RM40m changing hands for the week and last being traded at 4.45%. Over in the AA-rated arena, trading was led by DRBH 4/30 and SPG 4/31, with RM50m of each bond switching hands for the week and last being traded at 4.51% and 4.40% respectively. In the A-rated segment of the market, trading was led by MBSB 12/31, where RM20m swapped hands for the week with the bond last traded at 4.51%. Issuance activity remained light for the week, with unrated SUNREIT and AA3-rated IJN Treasury leading the way with RM400m of issuance each, while AAA-rated Johor Corp printed RM300m of a 5yr IMTN at 4.32% and AA3-rated Mah Sing Group came to the market with RM300m of issuance.
- Singapore Government Securities:** SGS were mixed in trading for the week in review, with longer-dated bonds outperforming for the week, amidst non-oil domestic exports for September surging further compared to expectations for a moderation. Benchmark yields closed the week mixed by between -3 to +4bps (prior week: 9 to 16bps lower) as at the end of business on Thursday. **The benchmark SGS 2Y yield rose by 1bp for the week to 1.86%, while the benchmark SGS 10Y yield also advanced by 1bp to 2.33%.** 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 of 0.3% for the week (prior week: +1.3%). The week ahead sees the release of the industrial production figures and the consumer price indices for September with the unemployment rate for the month also scheduled.



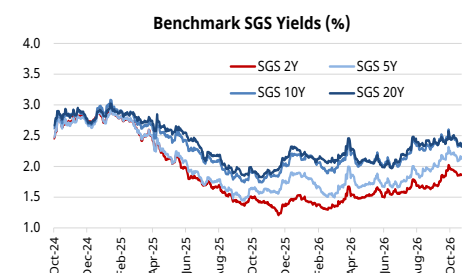
Source: Bloomberg



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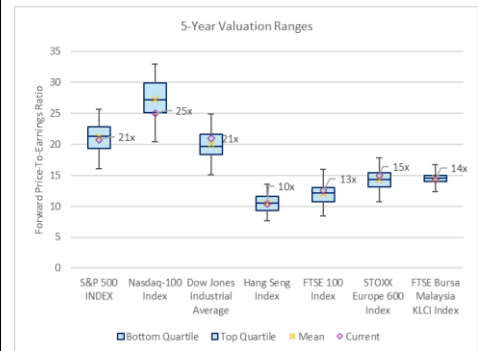
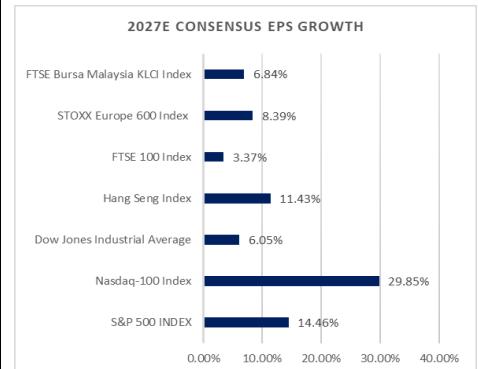
Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
TRIplc Ventures Sdn Bhd	RM240m Fixed-Rate Medium-Term Note (2011/2026)	AAA(bg)/Stable	Withdrawn
Zetrix AI Berhad	Islamic Medium-Term Notes (IMTN) Programme of up to RM2bn	BB+/Negative	Downgraded
Amanat Lebuhraya Rakyat Berhad	RM5.5bn Sukuk Programme	AAA/Stable	Affirmed
State of Perak	Sub-sovereign credit rating	AA+/Stable	Affirmed
MBSB Bank Berhad	Structured Covered Sukuk Murabahah Tranche 4	AAA/Stable	Affirmed
Poseidon ABS Berhad	Third Tranche Senior MTN Fourth Tranche Senior MTN Fifth Tranche Senior MTN	AAA/Stable AA2/Stable AA1/Stable	Upgraded Affirmed Affirmed
Al-`Aqar Healthcare Real Estate Investment Trust	Corporate credit rating	AA3/Stable/P1	Assigned
Al-`Aqar Capital Sdn Bhd	RM3bn Sukuk Wakalah Programme (2026/-): RM3bn Senior Sukuk Wakalah RM500m Subordinated Perpetual Sukuk Wakalah	AA3(s)/Stable A2(s)/Stable	Assigned preliminary ratings

Source: MARC/RAM

Equities

- US:** The AI capex debate returned as the week's defining force, and this time it produced a broad-based selloff - the **S&P 500 fell -1.0%, the Nasdaq shed -2.6%, and only the Dow managed a gain of +1.3%**, lifted by defensive rotation into value and dividend names. The divergence was sharpest on the final day of the week, when Meta Platforms fell approximately -7% on the day of its earnings release, closing the week down nearly -12%, after announcing a further increase in capital spending to develop its Muse AI agent and unveiling plans to create a new share class to fund the buildout, reigniting fears that the largest technology companies will issue debt to finance infrastructure whose returns remain uncertain. Tesla moved in the opposite direction: the company reported Q3 capital expenditure of \$4.73bn against a \$7.95bn consensus estimate and cut its full-year capex target to approximately \$20bn from more than \$25bn, raising questions about the pace of its AI and robotics ambitions even as its profit beat estimates. A new DeepSeek model released during the week added a further layer of demand uncertainty for chipmakers, and the Philadelphia Semiconductor Index fell 7.3%, extending what has now become a protracted multi-week rout. The sector picture confirmed the defensive character of the week. Both Information Technology and Communication Services slipped while Financials, Consumer Staples, Health Care and Industrials gained. Energy rallied slightly, a marked deceleration from the prior week despite Brent crude closing at \$113.17 - lifted by deadly attacks in Saudi Arabia, as the market treated the oil move as a geopolitical rather than a demand signal. The earnings calendar thickens with major technology names reporting. The Meta capex signal and Tesla's spending pullback have set up a binary read on AI conviction - any further upward revision from Alphabet or Microsoft will be closely scrutinised. Defense names including Lockheed Martin, Northrop Grumman, and RTX remain in focus as DoD procurement is on track for a record \$581bn this year.
- Asia:** China's equity market approached bear market territory this week - the defining regional event - with the **CSI 300 falling -3.0%**, bringing its total decline from the June high to approximately -19% on a closing basis, and erasing approximately \$2.4 trillion in market value since the May peak. The proximate causes were a protracted slump in consumption, mounting doubts over AI company profitability, and a regulatory reminder to e-commerce platforms on quality controls that sent the Hang Seng Tech Index down as much as -4.2% on Thursday. The **Hang Seng fell -4.7%** for the week - the sharpest regional decline - while the **TAIEX lost -1.9%** as Asian chip stocks extended losses on the new DeepSeek model and AI financing concerns. The STAR 50, China's technology benchmark, has now tumbled approaching -40% from its April 2026 high, cementing its position as the worst-performing major tech gauge globally. Against that backdrop, two countervailing forces emerged. China's state-backed funds stepped up ETF purchases - inflows into National Team-favoured ETFs surged to their highest level since July - as signs accumulated that the record 10-week losing streak may be approaching exhaustion. **The KOSPI, by contrast, was the relative outperformer, falling just -0.4%**, a notable stabilisation after the prior week's 16% collapse. Whether China's state fund intervention can bring the CSI 300 out of bear market territory is the central question. Samsung's full divisional earnings - including HBM commentary and capex guidance - remain the key pending catalyst for the Korean market. The KOSPI's proximity to the 5,400 margin-call threshold warrants close monitoring; a break below that level could trigger a self-reinforcing retail liquidation cycle.
- Malaysia:** The **KLCI gave back -0.9%**, as the post-budget relief trade faded and global risk-off sentiment weighed on the index through much of the week before a partial recovery saw the benchmark reclaim the 1,600 level on Wednesday on selective bargain hunting. The week's most significant corporate development was a report that Japan's MS&AD Insurance Group is reportedly exploring a takeover of LPI Capital Bhd, which is controlled by Public Bank - a deal that, if confirmed, would represent a significant inbound M&A transaction for the Malaysian insurance sector. Global fund buying of Malaysian equities hit a one-month high on Monday, providing a partial offset to the broader outflow pressure that has characterised recent weeks. At the stock level, Petronas Chemicals was the standout gainer at +5.4%, supported by elevated energy prices and the Petronas contribution uplift from Budget 2027. Tenaga Nasional (+1.9%) and YTL Corp (+1.9%) also outperformed - the latter a reversal from its prior-week decline. IOI Properties (+1.8%) and Petronas Dagangan (+1.7%) rounded out the top five. On the downside, CIMB fell -4.4% - the index's largest decliner - as regional risk-off sentiment weighed disproportionately on the bank's cross-border exposure. KLIK (-3.8%), Axiata (-3.6%), and Press Metal (-3.2%) also declined, with plantation names under pressure from softer commodity prices and Axiata reversing part of its prior-week budget-relief gain. 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
26-Oct	13:00	SI	Industrial Production SA MoM	Sep	-0.50%
	20:30	US	Chicago Fed Nat Activity Index	Sep	-0.04
	22:30	US	Dallas Fed Manufacturing Activity	Oct	9.8
27-Oct	7:50	JN	PPI Services YoY	Sep	3.70%
	9:30	CH	Industrial Profits YTD YoY	Sep	15.70%
	20:30	US	Durable Goods Orders	Sep P	-0.10%
	20:30	US	Cap Goods Orders Nondef Ex Air	Sep P	1.60%
	21:00	US	FHFA House Price Index MoM	Aug	0.30%
	21:00	US	S&P Cotality CS US HPI YoY NSA	Aug	1.93%
	22:00	US	Conf. Board Consumer Confidence	Oct	81.9
	22:00	US	Richmond Fed Manufacturing Index	Oct	-2
	22:00	US	Richmond Fed Business Conditions	Oct	-8
	22:00	US	New Home Sales MoM	Sep	6.40%
	22:30	US	Dallas Fed Services Activity	Oct	-1.8
28-Oct	8:30	AU	CPI Trimmed Mean YoY	Sep	3.60%
	9:00	NZ	RBNZ Official Cash Rate		2.75%
	16:30	HK	Exports YoY	Sep	53.00%
	19:00	US	MBA Mortgage Applications	23-Oct	-5.3%
	20:30	US	Advance Goods Trade Balance	Sep	-\$132.6b
	20:30	UK	UK Chancellor of the Exchequer John Healey Presents Budget		
29-Oct	2:00	US	FOMC Rate Decision (Upper Bound)		4.00%
	13:00	JN	Consumer Confidence Index	Oct	35.4
	17:30	UK	Net Consumer Credit	Sep	2.5b
	17:30	UK	Mortgage Approvals	Sep	54.9k
	18:00	EC	Economic Confidence	Oct	97.9
	20:30	US	Personal Income	Sep	0.20%
	20:30	US	Personal Spending	Sep	0.90%
	20:30	US	Initial Jobless Claims	24-Oct	194k
	20:30	US	Core PCE Price Index YoY	Sep	3.00%
	20:30	US	GDP Annualized QoQ	3Q A	2.20%
	21:15	EC	ECB Deposit Facility Rate		2.50%
30-Oct	7:30	JN	Tokyo CPI YoY	Oct	2.70%
	7:30	JN	Jobless Rate	Sep	2.50%
	7:50	JN	Retail Sales MoM	Sep	-1.20%
	7:50	JN	Industrial Production MoM	Sep P	-2.40%
	8:30	AU	Private Sector Credit MoM	Sep	0.60%
	18:00	EC	GDP SA QoQ	3Q A	0.60%
	18:00	EC	Unemployment Rate	Sep	6.40%
	21:45	US	MNI Chicago PMI	Oct	58.8
		JN	BOJ Target Rate	0:00	1.25%

Source: Bloomberg

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