25 September, 2026

Hong Leong Bank

Global Markets Research

Weekly Market Highlights

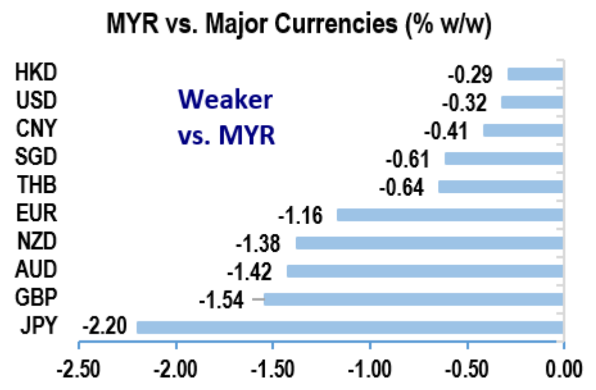
Market

	Last Price	WOW%	YTD %
Dow Jones Ind.	51,349.98	-0.83	6.84
S&P 500	7,704.13	0.87	12.54
FTSE 100	10,679.99	-1.26	7.54
Hang Seng	24,761.13	0.64	-3.39
KLCI	1,672.31	-0.15	-0.46
STI	5,683.37	0.40	22.32
Dollar Index	101.29	1.03	3.01
WTI oil ($/bbl)	94.61	-7.16	76.92
Brent oil ($/bbl)	106.60	1.70	75.18
Gold (S/oz)	4,265.10	-2.30	-1.56
CPO (RM/ MT)	4,564.00	-3.14	13.36
Copper ($$/MT)	14,621.00	0.89	17.69
Aluminum($/MT)	3,250.00	-1.56	8.50

Source: Bloomberg

- **Crude oil prices and US stocks closed mixed:** Global equities wrapped the week on a mixed note again, as fluctuating energy prices and treasury yields continue to swing risk sentiment. Crude oil prices continued to be driven by shifting concerns/hopes for diplomatic progress for the Middle East war, while UST yields were swayed by both energy prices (thus, inflation expectations) as well as mixed US economic data, downside from the Conference Board's leading index (-0.1% m/m in Aug vs 0.2% m/m in Jul) and IPI growth (0% for Aug vs 0.2% m/m in Jul), and upside from the September PMIs and slew of hawkish Fed speaks. That said, overall sentiment remains cautious as the recent spike in bond yields continue to cast a shadow on risk appetite.
- **RBA meeting, US nonfarm payroll and core PCE, regional PMIs on deck next week:** After a quiet economic calendar, next week will see RBA deciding on its next move. All eyes will also be on the regional PMIs and in the US, on its core-PCE which will be accompanied by its personal income/spending data. US will publish its montly slew of labour indicators ahead of the highly watched non-farm payroll print. Equally crucial is the manufacturing ISM and Conference Board's consumer confidence prints, and to a lesser extent, goods trade data, factory orders, home prices and construction spending prints. The final 2Q GDP readings are up on deck for the US and UK, the latter accompanied by its net consumer credit indicator as well. More inflation and job prints are due for the Eurozone and Tokyo, Eurozone accompanied by its economic confidence index, and Tokyo, by Japan's Tankan and leading indices, retail sales as well as IPI. Similarly, Singapore will publish its IPI data, while China will release its industrial profits numbers for the month of August.

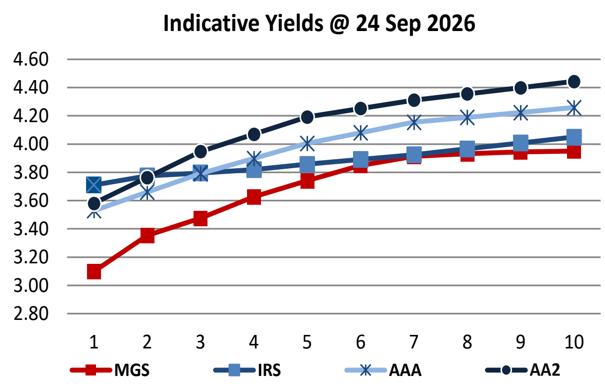
Forex



Source: Bloomberg

- **MYR:** MYR was firmer in trading against the USD for the first week in four, climbing by 0.3% (prior: -0.9%) to 4.0865 from 4.0995 the week before, amidst exports in August picking up the pace versus the previous month and CPI for the month that unexpectedly inched higher by a notch to 1.9% y/y. Against the rest of the G10 and major regional currencies, the MYR was stronger across the board for the week, with the exception of against the KRW (-0.5%). We are ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead, eyeing a probable trading range of 4.0625 – 4.1125. The coming week brings the release of S&P Global Malaysia manufacturing PMI, which will offer some clues as to the state of economic growth as we ended 3Q.
- **USD:** The DXY rose in trading this week for the third week on the trot, advancing by 1.0% (prior: +1.2%) to 101.29 from 100.25 the prior week, amidst some solid economic data and the bilateral summit between the US and China in President Xi Jinping's first trip to the US in over a decade. The preliminary US PMIs for September unexpectedly saw a further surge, across both manufacturing and services sectors, pointing to a strong finish for the economy in 3Q. We are ***Neutral*** on the USD for the coming week, looking at a likely trading range of 100.00 – 102.50 for the DXY. The week ahead sees the release of core PCE index for August, the ISM Manufacturing index and the Conference Board's consumer confidence for September, and the usual slew of labour market indicators (ADP employment change, Challenger job cuts, and JOLTS job openings) prior to the September monthly employment report next Friday.

Fixed Income



Source: Bloomberg/ BPAM

- **UST:** US Treasuries plunged in trading for the week in review, after a renewed spike in oil prices triggered fears about more persistent inflation and some solid economic numbers suggesting that growth in the US is likely to accelerate, with the preliminary S&P Global US PMIs for September registering further gains for the month versus expectations of some easing. The pricing of rate hikes by the Fed this year rose further during the week, with 38bps of hikes priced in for the remainder of 2026 (prior: 32bps). **Overall benchmark yields for the week surged by between 19 to 28bps w/w** (prior: -8 to +8bps) as of the close of business on Thursday, with the UST curve bear-flattening. The benchmark 2Y UST yield rose by 26bps for the week to 4.92% while the benchmark 10Y UST yield surged by 27bps to 5.20%. **We expect USTs to consolidate and trade on a more constructive note for the week ahead.** The coming week brings the release of the core PCE index for August, as well as the consumer confidence index from the Conference Board and the ISM Manufacturing index. There will also be the usual lineup of labour market indicators (ADP, JOLTS and Challenger) in the run up to the September monthly employment report due next Friday.
- **MGS/GII:** Local government bonds saw a strong rally for the week in review, with aggressive lifting of offers across the entire maturity spectrum, before some profit taking at the tail end of the week as major government bond markets retreated. We also saw the re-opening of RM5bn of the MGS 4/33 was decently received, drawing a moderate BTC of 2.168x. **Overall benchmark MGS/GII yields closed the week mixed by between -19 to +4bps w/w** (prior: -11 to +10bps). The benchmark 5Y MGS 6/31 yield plunged by 19bps for the week to 3.72%, while the benchmark 10Y MGS 7/35 yield tumbled by 18bps to 3.95%. **For the coming week, we expect the MGS/GII markets to continue to trade with a biddish tone.** The week ahead sees the release of the S&P Global Malaysia manufacturing PMI for September, and we will also get the re-opening of the benchmark 30Y GII 1/56, and we expect RM3bn to be put up for auction with a further RM2bn to be privately placed.

Macroeconomic Updates

- **Crude oil prices and US stocks closed mixed:** Global equities wrapped the week on a mixed note again, as fluctuating energy prices and treasury yields continue to swing risk sentiment. Crude oil prices continued to be driven by shifting concerns/hopes for diplomatic progress for the Middle East war, while UST yields were swayed by both energy prices (thus, inflation expectations) as well as mixed US economic data, downside from the Conference Board's leading index (-0.1% m/m in Aug vs 0.2% m/m in Jul) and IPI growth (0% for Aug vs 0.2% m/m in Jul), and upside from the September PMIs and slew of hawkish Fed speaks. That said, overall sentiment remains cautious as the recent spike in bond yields continue to cast a shadow on risk appetite. The three major US stock indices closed the week mixed between -0.8 to +2.0% w/w with Nasdaq outperforming, while in the commodity space, Brent rose 1.7% w/w but the WTI tumbled 7.2% w/w.

- **BOJ raised rates with two dissenters:** Policy wise, the Bank of Japan (BOJ), by a 7-2 majority vote, decided to lift the call rate by 25bps to 1.25%. The decision was within expectations but was just 3 months after BOJ's previous hike (vs the usual 6 months interval). With policy makers opining that the underlying inflation has been approaching 2.0% and financial conditions still accommodative, we expect the BOJ to continue with its tightening cycle, although the timing and pace will depend on the likelihood of the economy and prices realizing the BOJ's baseline scenario, and risks to the outlook, that includes geopolitical tension, the expansion in AI-related demand and developments in the financial market. With BOJ seen as less hawkish than expected, we therefore pencil in the next rate hike in 1Q of 2027.

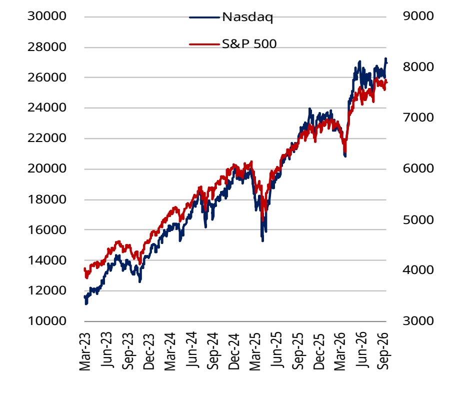
- **OECD expects a mildly stronger GDP growth in 2027**: OECD released its latest economic projections during the week. Global GDP growth forecast was revised up 0.1ppt to 2.9% for 2026, but down by 0.1ppt to 3.0% for 2027 (2025: 3.4%). Accordingly, stronger price pressures, weaker real income growth and tighter monetary policies will weigh on growth momentum, while robust AI-related activity and expectations of softer energy prices will help economic activities through 2027. Inflation is expected to increase in the short-term, before easing gradually in 2027 as moderating energy prices and tighter monetary policy help to contain broader inflationary pressure. With this, G20 headline inflation is expected to ease from 4.1% in 2026 to 3.6% in 2027 (2025: 3.4%). Zooming into the economies, GDP growth for the US is projected at 2.2% in 2026 (+0.2ppts) and 2.1% (+0.3ppts) in 2027 (2025: 2.1%), with strong AI-related investment somewhat offset by slower consumer spending and real income growth. Euro area GDP is anticipated to ease from 1.3% in 2025 to 1.0% in 2026 and 2027 (+0.2ppts for 2026 and -0.2ppts for 2027), with demand strengthening once energy prices normalise and new defense initiatives gain pace. The UK economy is expected to ease from 1.3% in 2025 to 1.1% (+0.2ppts) in 2026 and 1.0% (-0.1ppts) in 2027, with consumption expected to be supported by newly announced government support measures. Japan growth will moderate from 1.2% in 2025 to 0.8% (+0.2ppts) in 2026, and further to 0.7% (-0.1ppts) in 2027, as strong business investment and government consumption offset the negative impact of rising policy rates and higher cost of energy imports. Last but not least, China's growth is projected to moderate from 5.0% to 4.5% (no change) in 2026 and 4.2% (-0.1ppts) in 2027.

- **Composite PMIs improved for the US and Eurozone; fell for the UK, Australia and Japan**: Preliminary September PMIs and business confidence prints for the majors were mixed. US composite PMI (58.4 vs 56.0) suggests that economic activities accelerated for the fourth month to its fastest pace in over 5 years. Growth was driven by the services (58.7 vs 56.5), while manufacturing (57.0 vs 53.9) showed a rebound. Eurozone's composite PMI also improved, hitting near its 3Y high at 53.1 (prior: 52.0) driven by solid growth for manufacturing (steady at 52.7) and services (53.0 vs 51.6). On the flipside, UK's composite PMI dropped to 51.7 from 52.5, its weakest growth since June weighed down by the services sector (51.7 vs 52.5). Manufacturing index improved 0.3ppts to 52.0, and manufacturers were equally upbeat over growth outlook. Similarly, Japan's composite PMI (52.5 vs 53.5) slipped to its lowest level since May, as both goods and services (51.6 vs 52.5) producers recorded slower growth, while Australia's PMI for manufacturing turned contractionary at 49.3 (prior: 52.0). Services PMI also moderated (51.4 vs 53.2), bringing the composite PMI (50.8 vs 52.7) to its weakest since June.

- **Steady-to-slight acceleration in inflation:** In the run up to the US core-PCE, CPI prints released this week showed inflationary pressure remained largely contained within fuel-related components in August. Hong Kong's inflation held steady at 1.7% y/y, while Malaysia's CPI picked up to 1.9% y/y (Jul: 1.8% y/y). Malaysia's underlying inflation remained tame in our view, as evident in the continued easing in core CPI for the 3rd straight month to its lowest in 20 months (1.7% vs 1.8% y/y), and stable services CPI at 2.2% y/y. Singapore's headline and core accelerated to 2.3% y/y (prior: 2.2% y/y) and 2.2% y/y (prior: 2.0% y/y), but with average inflation of 1.8% YTD for headline and 1.6% y/y for core, MAS maintained its 1.5-2.5% forecast for 2026. Core inflation is expected to remain elevated into 2027 before moderating mid-year amid expectations of softer energy prices. With risks to outlook still tilted on the upside, a tightening risk remains on the table for MAS next month.

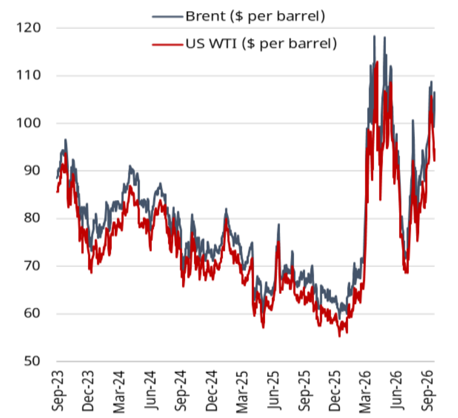
- **RBA meeting, US nonfarm payroll and core PCE, regional PMIs on deck next week:** After a quiet economic calendar, next week will see RBA deciding on its next move. Market is pencilling a more than even chance for a quarter point hike to 4.60% despite mixed labour data for August (unemployment rate: 4.6% vs 4.5%, employment change: 39.5k vs -15.9k). Data wise, all eyes will be on the regional PMIs and in the US, on its core-PCE which will be accompanied by its personal income/spending data. US will publish its montly slew of labour indicators (ADP employment, JOLTS job opening, Challenger job cuts) ahead of the highly watched non-farm payroll print. Equally crucial is the manufacturing ISM and Conference Board's consumer confidence prints, and to a lesser extent, goods trade data, factory orders, home prices and construction spending prints. The final 2Q GDP readings are up on deck for the US and UK, the latter accompanied by mortgage approvals/net consumer credit indicators as well. More inflation and job prints are due for the Eurozone and Tokyo, Eurozone accompanied by its economic confidence index, and Tokyo, by Japan's Tankan and leading indices, retail sales as well as IPI. Similarly, Singapore will publish its IPI data, while China will release its industrial profits numbers for the month of August.

Spikes in bond yields weighed appetite for US stocks



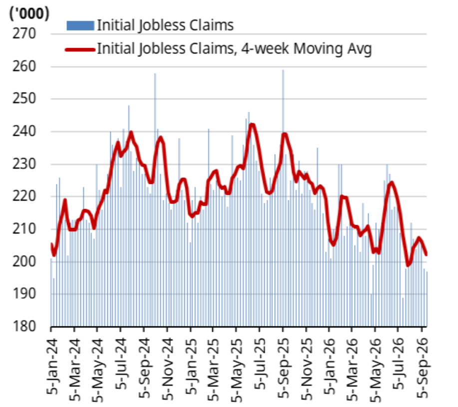
Source: Bloomberg

Crude oil prices fluctuated amid shifting concerns/hopes for diplomatic progress between the US and Iran and oil supply



Source: Bloomberg

Low levels of initial jobless claims signalled low firing and a stable labour market for now



Source: Bloomberg

Foreign Exchange

- **MYR:** MYR was firmer in trading against the USD for the first week in four, climbing by 0.3% (prior: -0.9%) to 4.0865 from 4.0995 the week before, amidst exports in August picking up the pace versus the previous month and CPI for the month that unexpectedly inched higher by a notch to 1.9% y/y. Against the rest of the G10 and major regional currencies, the MYR was stronger across the board for the week, with the exception of against the KRW (-0.5%). We are ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead, eyeing a probable trading range of 4.0625 – 4.1125. The coming week brings the release of S&P Global Malaysia manufacturing PMI, which will offer some clues as to the state of economic growth as we ended 3Q.

- **USD:** The DXY rose in trading this week for the third week on the trot, advancing by 1.0% (prior: +1.2%) to 101.29 from 100.25 the prior week, amidst some solid economic data and the bilateral summit between the US and China in President Xi Jinping's first trip to the US in over a decade. The preliminary US PMIs for September unexpectedly saw a further surge, across both manufacturing and services sectors, pointing to a strong finish for the economy in 3Q. We are ***Neutral*** on the USD for the coming week, looking at a likely trading range of 100.00 – 102.50 for the DXY. The week ahead sees the release of core PCE index for August, the ISM Manufacturing index and the Conference Board's consumer confidence for September, and the usual slew of labour market indicators (ADP employment change, Challenger job cuts, and JOLTS job openings) prior to the September monthly employment report next Friday.

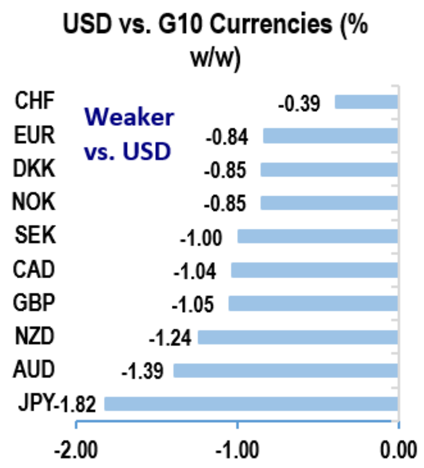
- **EUR**: EUR retreated in trading this week for a fifth week running, coming off by 0.8% (prior: -1.2%) against the USD to 1.1380 from 1.1476 the week before, amidst a strong backdrop for the greenback. Inflation expectations for August rose, with expectation of both short-term and medium-term prices edging higher, while the preliminary Eurozone composite PMI for September improved further, driven by a rise in the services sector measure. We are ***Neutral-to-Slightly Bullish*** on the EUR/USD for the week ahead with the pair in oversold territory, foreseeing a possible trading range of 1.1250 – 1.1525 for the pair. The coming week brings the release of the economic confidence index for September and the unemployment rate for August, prior to the September CPI estimates next Friday, and there will be quite a bit of ECB-speak too, including from ECB President Lagarde.

- **GBP**: The GBP fell against the greenback in trading this week for a fifth consecutive week, retreating by 1.1% w/w (prior: -1.1% w/w) to 1.3219 from 1.3359 the prior week, amidst UK retail sales for August unexpectedly rising and the preliminary UK composite PMI declining by slightly more than expected, driven by a cooling in the services sector. We are ***Neutral-to-Slightly Bullish*** on the Cable for the coming week, eyeing a probable trading range of 1.3075 – 1.3375. The week ahead sees the release of UK mortgage approvals for August and the final 2Q GDP figures, with some speeches due from Bank of England officials, including from Governor Andrew Bailey.

- **JPY**: The Japanese Yen depreciated against the USD in trading this week for a second straight week, declining by 1.8% (prior: -1.0%) to 158.86 from 155.97 the week before, amidst the Bank of Japan raising rates as expected but sounding less hawkish than expected, tempering expectations for further rate hikes in the near term, while the preliminary Japan PMIs for September eased. We are ***Neutral-to-Slightly Bullish*** on USD/JPY for the week ahead, looking at a likely trading range of 156.75 – 161.25 for the currency pair. The coming week brings the release of retail sales, housing starts and industrial production figures for August, as well as the key Tankan survey for 3Q and the summary of opinions from the recent Bank of Japan meeting.

- **AUD**: AUD fell against the USD in trading this week for a third week on the trot, coming off by 1.4% (prior: -0.6%) to 0.7012 from 0.7111 the prior week, amidst a rise in the Australian unemployment rate for August and an easing in the preliminary September Australian PMIs. We are ***Neutral*** on AUD/USD for the coming week, looking at a likely trading range of 0.6900 – 0.7125. The week ahead looks set to be an eventful one, with the RBA set to decide on policy amidst the futures markets pricing in a near certainty of a 25bps hike, and there will be quite a bit of data too, with the CPI, private sector credit growth, building approval figures and trade balance for August all scheduled to be released.

- **SGD**: SGD depreciated against the USD this week for a third week on the trot, falling by 0.3% (prior: -0.6%) to 1.2794 from 1.2754 the week before, amidst Singapore CPI for August inching up slightly as expected, at both the overall and core level of prices. Against other G10 currencies, the SGD was firmer across the board led by gains against the JPY (+1.5%), but versus major regional currencies, the local currency was mostly softer for the week, except against the IDR (+0.6%) and THB (0.0%). We continue to be ***Neutral-to-Slightly Bullish*** on USD/SGD for the week ahead, eyeing a probable trading range of 1.2700 – 1.2925. The coming week brings the release of the industrial production figures for August and the preliminary URA private homes prices for 3Q.



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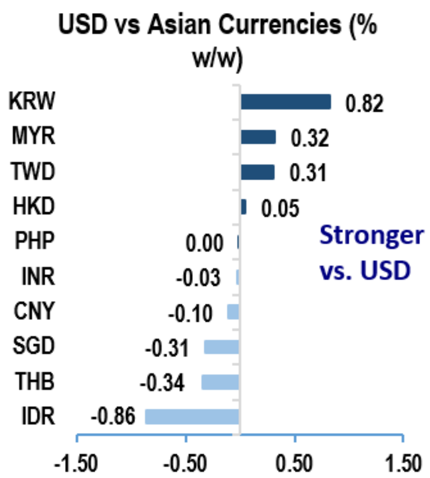


Source: Bloomberg

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

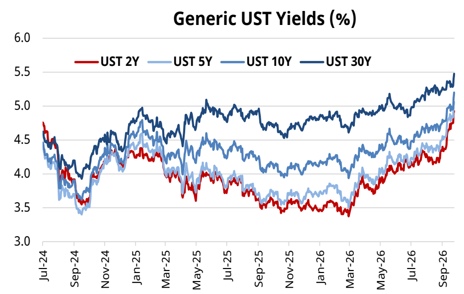
Fixed Income

- **UST:** US Treasuries plunged in trading for the week in review, after a renewed spike in oil prices triggered fears about more persistent inflation and some solid economic numbers suggesting that growth in the US is likely to accelerate, with the preliminary S&P Global US PMIs for September registering further gains for the month versus expectations of some easing. The pricing of rate hikes by the Fed this year rose further during the week, with 38bps of hikes priced in for the remainder of 2026 (prior: 32bps). **Overall benchmark yields for the week surged by between 19 to 28bps w/w** (prior: -8 to +8bps) as of the close of business on Thursday, with the UST curve bear-flattening. The benchmark 2Y UST yield rose by 26bps for the week to 4.92% while the benchmark 10Y UST yield surged by 27bps to 5.20%. **We expect USTs to consolidate and trade on a more constructive note for the week ahead.** The coming week brings the release of the core PCE index for August, as well as the consumer confidence index from the Conference Board and the ISM Manufacturing index. There will also be the usual lineup of labour market indicators (ADP, JOLTS and Challenger) in the run up to the September monthly employment report due next Friday.

- **MGS/GII:** Local government bonds saw a strong rally for the week in review, with aggressive lifting of offers across the entire maturity spectrum, before some profit taking at the tail end of the week as major government bond markets retreated. The economic data we had for the week saw the CPI for August unexpectedly rise by a notch, while exports for the month continued to climb. We also saw the re-opening of RM5bn of the MGS 4/33 was decently received, drawing a moderate BTC of 2.168x. **Overall benchmark MGS/GII yields closed the week mixed by between -19 to +4bps w/w** (prior: -11 to +10bps). The benchmark 5Y MGS 6/31 yield plunged by 19bps for the week to 3.72%, while the benchmark 10Y MGS 7/35 yield tumbled by 18bps to 3.95%. Secondary market activity inched higher for the week, with the average daily secondary market volume for MGS/GII rising 2% to RM5.98bn for the week in review versus the daily average of RM5.84bn seen the week before. Trading for the week was led by the off-the-run MGS 11/26, which saw RM3.72bn switching hands, while decent interest was also seen in the newly re-opened benchmark 7Y MGS 4/33 and the benchmark 3Y GII 10/29, with RM3.55bn and RM2.69bn traded respectively. GII trades totalled 38% of government bond trading for the week, marginally increasing from the 36% seen the prior week. **For the coming week, we expect the MGS/GII markets to continue to trade with a biddish tone.** The week ahead sees the release of the S&P Global Malaysia manufacturing PMI for September, and we will also get the re-opening of the benchmark 30Y GII 1/56 to conclude government bond funding for the month, and we expect RM3bn to be put up for auction with a further RM2bn to be privately placed.

- **MYR Corporate bonds/ Sukuk**: Trading in the secondary corporate bond/sukuk market was better offered for the week in review. Activity picked up for the week, with the average daily volume traded climbing by 9% to RM0.75bn (prior week: RM0.68bn). Trading for the week was led by the AA-rated segment of the market. In the GG universe, the interest was led by PTPTN 3/37, with RM70m traded for the week and the bond last swapping hands at 4.22%. Decent interest was also seen in PLUS 12/38, with RM50m traded and last changing hands at 4.40%. In the AAA-rated space, CAGA 11/27 led the activity for the week, with RM200m traded and last switching hands at 3.52%. Keen interest was also seen in PSEP 5/27 and PSEP 11/29, which saw RM60m of each bond swapping hands for the week and last being traded at 3.69 and 4.09% respectively. Over in the AA-rated arena, trading was led by CIMBG 9/36, with RM135m changing hands for the week and last being traded at 4.41%. Decent interest was also seen in MBB 4.85% Perps, with RM128m traded and last switching hands at 4.85%. In the A-rated segment of the market, trading was led by WCT 6.60% Perps, where RM115m swapped hands for the week with the bond last traded at 6.68%. Issuance activity for the week remained light, with the only notable issuances coming from AAA-rated CAGAMAS which printed RM500m of a 5yr ASEAN Social SRI Sukuk at 4.05%, and AA1-rated TH Properties, which came to the market with RM120m of a 5yr IMTN at 4.76% and RM80m of a 7yr IMTN at 4.97%.

- **Singapore Government Securities:** SGS were mixed in trading for the week in review, with gains seen in the longer dated maturities while shorter dated bonds fell, amidst the CPI figures for August rising slightly as expected. Benchmark yields closed the week mixed by between -2 to +7bps (prior week: 9 to 16bps higher) as at the end of business on Thursday. **The benchmark SGS 2Y yield rose by 7bps for the week to 1.93%, while the benchmark SGS 10Y yield declined by 1bp to 2.48%,** resulting in the 2s10s slope flattening by 8bps to +55bps. The mixed nature of bond prices resulted in Bloomberg's Total Return Index unhedged SGD being little changed for the week (prior week: -0.8%). The week ahead sees the release of the industrial production figures for August.



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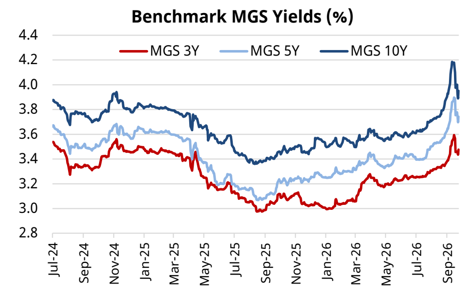

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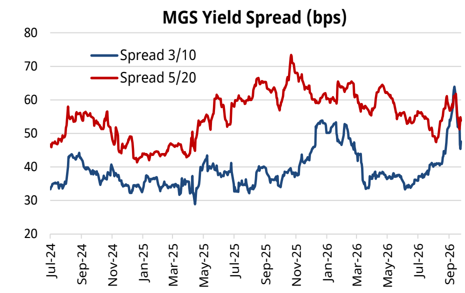

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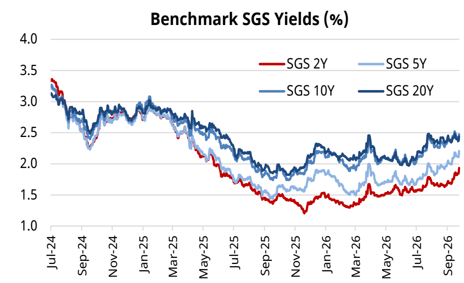


Source: Bloomberg

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
State of Selangor	Sub-sovereign credit rating	AAA/Stable	Affirmed
Zetrix AI Berhad	Islamic Medium-Term Notes (IMTN) Programme of up to RM2bn	AA-/Developing	Placed on MARCWatch Developing
TIME dotCom Berhad	RM1bn Islamic Medium-Term Notes Programme (2017/2037)	AA1/Stable	Affirmed
Heliosel Sdn Bhd	RM145m Guaranteed IMTN under its RM2bn Sukuk Murabahah Programme	AA3(bg)/Stable	Affirmed
People's Republic of China	Sovereign credit rating	AAA/Stable	Affirmed
Tanjung Bin Energy Sdn Bhd	RM4.5 bil Islamic MTN Programme (2021/2041)	AA3/Stable	Affirmed
Johor Plantations Group Berhad	Corporate credit ratings and the corresponding ratings of its Islamic Medium-Term Notes and Islamic Commercial Papers programmes, with a combined limit of up to RM3bn	AA1/Stable/P1	Affirmed
JB Cocoa Sdn Bhd	RM500m Islamic Medium-Term Notes (Sukuk Wakalah) Programme	A+/Positive	Revised rating outlook
Winstar Capital Berhad	Proposed Islamic Medium-Term Notes (IMTN) Programme of up to RM300m	A/Stable	Assigned preliminary rating
Gas Malaysia Distribution Sdn Bhd	Islamic Medium-Term Notes (IMTN)/ Islamic Commercial Papers (ICP) Programmes with a combined limit of up to RM1bn	AAA/Stable/MARC`-1	Affirmed
Celcom Networks Sdn Bhd	RM5bn Sukuk Murabahah Programme	AAA/Stable	Affirmed

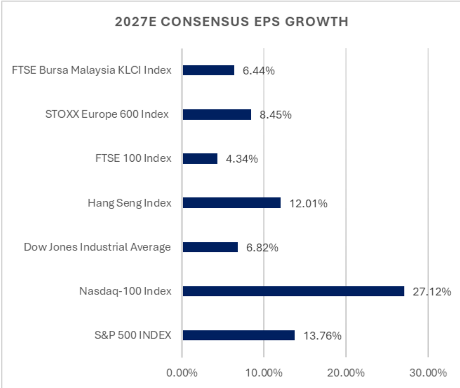
Source: MARC/RAM

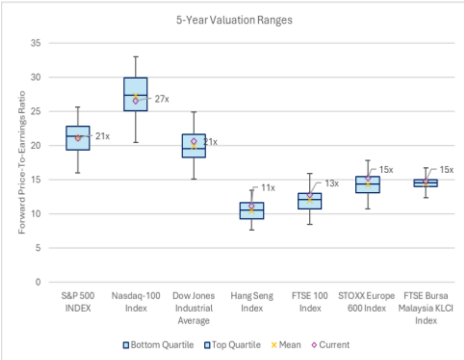
Equities

- **US**: The dominant theme of the week was the collision between a resilient AI-driven equity rally and a renewed hawkish Fed impulse amplified by surging oil prices. Treasury yields were the fulcrum: 30-year yields hit their highest level since 2004 as Brent crude settled near $107, with multiple Fed officials signalling that further tightening remains on the table. That backdrop drove a sharp divergence across sectors: Technology was the only meaningful winner, gaining +2.5% on the week as hedge funds continued to accumulate software names, while Financials (-2.6%), Energy (-2.8%), Real Estate (-2.7%), and Utilities (-4.8%) bore the brunt of the rate and oil shock. Bank stocks entered correction territory, with the KBW Bank Index falling more than 10% from its August high as rate-hike expectations mounted. The **Dow's (-0.8%)** underperformance relative to the **S&P 500 (+0.9%)** and **Nasdaq (+2.0%)** reflected this rotation away from rate-sensitive and cyclical names. On the earnings front, Costco posted a Q1 beat - tariff refunds contributed 15 cents of EPS - while General Mills also topped organic revenue estimates. On the negative side, Volkswagen's sharp guidance cut rippled through US auto names, with GM and Ford each falling roughly 5–6% over the week. A broader signal of caution emerged as equity analysts turned net negative on US earnings estimates for the first time in 23 weeks, ending the longest run of upgrades since 2021. Brent above $107 and 30-year yields at multi-decade highs remain the key macro variables. Any de-escalation in the Middle East or softening in energy prices could provide relief to rate-sensitive sectors.

- **Asia**: The Trump-Xi summit and the extension of the US-China trade truce to January 10 set the geopolitical backdrop for the week, providing a broadly constructive tone across the region, though the macro headwinds from rising US rates and elevated oil prices created meaningful divergence in outcomes. China was the week's laggard among the major Asian indices, with the CSI 300 ending marginally lower despite a mid-week lift from trade truce optimism. **Hong Kong (+0.6%)** eked out a modest gain, underpinned by a sustained streak of mainland buying via Stock Connect, net purchases were recorded for a 14th consecutive trading day, with HK$2.9bn flowing in on the final day of the week alone. Healthcare and property names led the index: CSPC Pharmaceutical (+5.6%), China Overseas Land & Investment (+5.2%), and Lenovo (+5.0%) were the top contributors, while Alibaba (+4.7%) benefited from the constructive US-China summit backdrop. On the downside, gold-linked names including Laopu Gold (-4.8%) and Xinyi Glass (-4.8%) were the primary drags. **Taiwan (+3.8%)** was the week's standout performer among the larger Asian markets, driven by a broad-based semiconductor and AI-adjacent rally. The gains were concentrated in smaller and mid-cap tech names. TSMC, the index heavyweight, pulled back on the final day and was the largest single drag on that session, but the broader semis complex carried the index higher over the full week. The **KOSPI (+5.4%)** was the best-performing major index globally this week, rebounding sharply after the prior week had seen a record $1.09bn outflow from the iShares MSCI South Korea ETF, the largest weekly withdrawal in the fund's 26-year history, triggered by AI sentiment concerns following commentary from Anthropic's CEO. The reversal was broad and forceful, with the index recovering well above 7,000.

- **Malaysia**: The **KLCI (-0.15%)** ended the week marginally lower, masking a volatile intra-week path: the index tracked the regional rally mid-week before giving back gains as global risk-off sentiment, driven by oil above $100 and rising US yields reasserted itself into the close. The macro backdrop was actually constructive and the Asian Development Bank also raised its 2026 GDP growth forecast for Malaysia to 4.9% from 4.6%. At the stock level, IHH Healthcare (+4.8%) was the standout large-cap gainer, while CIMB (+3.5%), Sunway (+3.1%), and YTL Power (+2.5%) also outperformed. Gamuda rose after its joint venture secured an A$624mn infrastructure contract in New South Wales. On the downside, Petronas-linked names were the primary drag - Petronas Chemicals (-5.8%) and Petronas Dagangan (-5.1%) both fell sharply - while IOI Properties (-6.2%) was the index's worst performer. On **2027 budget preparations,** the Economy Minister's comments on wage growth as a budget priority keep fiscal policy in focus; any pre-budget announcements or speculations could move consumer and financial names. Finally, with China entering Golden Week and global bond volatility elevated, external flows into Malaysian equities may remain subdued; domestic catalysts will carry more weight in determining near-term direction.





Economic Calendar

Date	Time	Country	Event	Period	Prior
28-Sep	7:50	JN	PPI Services YoY	Aug	3.60%
	9:30	CH	Industrial Profits YTD YoY	Aug	17.60%
	13:00	SI	Industrial Production SA MoM	Aug	2.30%
	22:30	US	Dallas Fed Manf. Activity	Sep	11.6
29-Sep	9:30	AU	Household Spending MoM	Aug	1.10%
	12:30	AU	RBA Cash Rate Target	0:00	4.35%
	13:00	JN	Leading Index CI	Jul F	117.9
	16:30	UK	Net Consumer Credit	Aug	2.0b
	16:30	UK	Mortgage Approvals	Aug	56.1k
	17:00	EC	Economic Confidence	Sep	98.4
	21:00	US	FHFA House Price Index MoM	Jul	0.00%
	21:00	US	S&P Cotality CS US HPI YoY NSA	Jul	1.52%
	22:00	US	Conf. Board Consumer Confidence	Sep	89.4
	22:00	US	JOLTS Job Openings	Aug	7271k
	22:30	US	Dallas Fed Services Activity	Sep	4.2
30-Sep	7:50	JN	Retail Sales MoM	Aug	2.40%
	7:50	JN	Industrial Production MoM	Aug P	-0.20%
	9:30	CH	Manufacturing PMI	Sep	49.8
	9:30	CH	Non-manufacturing PMI	Sep	49
	9:30	AU	CPI Trimmed Mean YoY	Aug	3.60%
	9:30	AU	Private Sector Credit MoM	Aug	0.60%
	9:30	AU	Building Approvals MoM	Aug	-3.60%
	9:45	CH	RatingDog China PMI Services	Sep	51.4
	9:45	CH	RatingDog China PMI Mfg	Sep	51.5
	14:00	UK	GDP YoY	2Q F	1.20%
	19:00	US	MBA Mortgage Applications	Sep 18	-1.50%
	20:15	US	ADP Employment Change	Sep	38k
	20:30	US	Personal Income	Aug	0.40%
	20:30	US	Real Personal Spending	Aug	0.00%
	20:30	US	Core PCE Price Index YoY	Aug	3.30%
	20:30	US	GDP Annualized QoQ	2Q T	1.50%
	20:30	US	Advance Goods Trade Balance	Aug	-$118.8b
	21:45	US	MNI Chicago PMI	Sep	47.1
30 Sept -6 Oct		UK	Nationwide House Px NSA YoY	Sep	1.60%
1-Oct	7:00	AU	S&P Global Australia PMI Mfg	Sep F	49.3
	7:50	JN	Tankan Large Mfg Index	3Q	22
	8:30	JN	S&P Global Japan PMI Mfg	Sep F	54.1
	8:30	MA	S&P Global Malaysia PMI Mfg	Sep	50.2
	8:30	VN	S&P Global Vietnam PMI Mfg	Sep	53.3
	9:30	AU	Trade Balance	Aug	A$1923m
	9:30	AU	Exports MoM	Aug	-3.30%
	9:30	AU	Imports MoM	Aug	-2.50%
	9:30	AU	Job Vacancies QoQ	Aug	-2.10%
	16:00	EC	S&P Global Eurozone Manufacturing PMI	Sep F	52.7
	16:30	UK	S&P Global UK Manufacturing PMI	Sep F	52.0
	17:00	EC	Unemployment Rate	Aug	6.40%
	17:30	US	Challenger Job Cuts YoY	Sep	-38.50%

	17:30	US	Challenger Job Cuts Total	Sep	52881
	20:30	US	Initial Jobless Claims	Sep 19	197k
	21:45	US	S&P Global US Manufacturing PMI	Sep F	57.0
	22:00	US	ISM Manufacturing	Sep	54.6
	22:00	US	Construction Spending MoM	Aug	-0.50%
2-Oct	7:30	JN	Tokyo CPI YoY	Sep	1.90%
	7:30	JN	Tokyo CPI Ex-Fresh Food YoY	Sep	1.80%
	7:30	JN	Jobless Rate	Aug	2.40%
	16:30	HK	Retail Sales Value YoY	Aug	4.50%
	17:00	EC	CPI Core YoY	Sep P	2.40%
	20:30	US	Change in Nonfarm Payrolls	Sep	162k
	20:30	US	Average Hourly Earnings MoM	Sep	0.30%
	20:30	US	Average Weekly Hours All Employees	Sep	34.4
	20:30	US	Unemployment Rate	Sep	4.10%
	21:00	SI	Electronics Sector Index	Sep	52.6
	21:00	SI	Purchasing Managers Index	Sep	51.5
	22:00	US	Factory Orders	Aug	0.90%

Source: Bloomberg

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