

9 April 2025

Global Markets Research

Daily Market Highlights

9 Apr: US pushing ahead with the 104% tariff on China

Equities swung amid uncertainties in the wake of ongoing tariff negotiations

US Treasuries closed mixed; USD broadly weakened, most against haven currencies

All eyes on the FOMC meeting minutes today

- US stocks swung wildly on Tuesday, starting the day higher on encouraging signs that the US would discuss lower tariffs with major trading partners like Japan and South Korea. Sentiment and stocks nonetheless took a turn after a White House official confirmed that the US will push ahead with the 104% tariff on many Chinese goods, dimming hopes for a tariff resolution and that a trade war could be avoided. All in, the 3 major averages closed the day 0.8-2.1% d/d lower, led by a sell-off in tech stocks.
- Elsewhere, European markets (Stoxx Eur 600: 2.7% d/d) rebounded after a 4-day drop. Asian markets closed mixed, with Jakarta Composite sliding 7.9% d/d after trading resumed following a circuit breaker.
- In the bond space, Treasuries closed mixed with the 2Y yield slipping 4bps to 3.73%, but the 10Y yields rose 11bps to 4.29%. 10Y European bond yields closed mixed between -1 to +4bps.
- In the forex space, the Dollar weakened against most of its G10 peers and the DXY closed 0.3% d/d lower at 102.96. JPY (+1.1% d/d to 146.27) and CHF continued to benefit from appetite for safe-haven assets, while NZD, CAD and AUD underperformed, the trio depreciated in tune to 0.1-0.4% d/d against the Dollar.
- Meanwhile, most regional currencies weakened against the greenback, with IDR leading losses at -1.8% d/d, while CNH depreciated 1.1% d/d to close at 7.4257, its weakest in record. MYR and SGD weakened in tune to 0.1-0.2% d/d to close at 4.4915 and 1.3535 respectively.
- In the commodity space, the WTI (-1.9% d/d to \$59.58/barrel) slumped below \$60/barrel as the US plan for China tariffs continues to weigh on demand outlook. Brent also plunged 2.2% d/d to \$62.82/barrel.

Confidence amongst US small business owners waned for the fourth month

- The NFIB Small Business Optimism Index fell more than expected by 3.3 points to 97.4 in March. This is the fourth month of decline and just below the 51-year average of 98.0, with uncertainties over the new policies by the government saw small business

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	37,645.59	-0.84
S&P 500	4,982.77	-1.57
NASDAQ	15,267.91	-2.15
Stoxx Eur 600	486.91	2.72
FTSE 100	7,910.53	2.71
Nikkei 225	33,012.58	6.03
CSI 300	3,650.76	1.71
Hang Seng	20,127.68	1.51
Straits Times	3,469.47	-2.01
KLCI 30	1,443.56	-0.02
FX		
Dollar Index	102.96	-0.29
EUR/USD	1.0958	0.42
GBP/USD	1.2765	0.32
USD/JPY	146.27	-1.06
AUD/USD	0.5960	-0.40
USD/CNH	7.4257	1.10
USD/MYR	4.4915	0.18
USD/SGD	1.3535	0.05
Commodities		
WTI (\$/bbl)	59.58	-1.85
Brent (\$/bbl)	62.82	-2.16
Gold (\$/oz)	2,968.40	0.58
Copper (\$\$/MT)	8,655.50	-0.88
Aluminum(\$/MT)	2,349.00	-0.91
CPO (RM/tonne)	4,644.00	-2.53

Source: Bloomberg, HLBB Global Markets Research
* CPO dated as of 7 April

owners scaling back their expectations on sales growth going forward,

Australia's business and consumer sentiment dented by Trump's hefty tariff

- Unease over Trump's tariff sent consumer and business confidence tumbling. The Westpac consumer confidence index fell 6.0% m/m in March after gaining 4.0% m/m previously, while the NAB Business Confidence index worsened to -3 in March from -2 in February. Most sub-components for both indices deteriorated, and with the breadth and scale of tariff increasing, there is clear risk that sentiment will worsen further, potentially weighing on consumer spending and capex going forward.

Japan's Eco Watchers suggests moderating economy

- Similarly, Japan's Eco Watchers Outlook index fell more than expected and for the fourth month to 45.2 in March (Feb: 46.6), as concerns over inflationary pressures weighed on household activity-related diffusion indices. With the recent weakness, the latest data suggests that the economy is expected to recover at a moderated pace going forward.

Malaysia's foreign reserves fell in 2H of March

- Foreign reserves fell another \$0.5bn in 2H of March to end the month at \$117.5bn (1H: -\$0.3bn to \$118.0bn). The reserves level, nonetheless, has taken into account the quarterly foreign exchange revaluation changes, is sufficient to finance 4.9 months of imports of goods and services and is 0.9 times of the total short-term external debt.

House View and Forecasts

FX	This Week	1Q-25 Act	2Q-25	3Q-25	4Q-25
DXY	100-104	104.21	108.58	106.93	105.27
EUR/USD	1.09-1.12	1.08	1.03	1.05	1.06
GBP/USD	1.26-1.33	1.29	1.24	1.25	1.27
USD/CHF	0.83-0.89	0.88	0.91	0.90	0.88
USD/JPY	142-149	150	155	150	146
AUD/USD	0.58-0.65	0.62	0.63	0.64	0.66
NZD/USD	0.54-0.60	0.57	0.56	0.57	0.58
USD/CNY	7.24-7.35	7.26	7.30	7.23	7.15
USD/MYR	4.40-4.50	4.44	4.50	4.40	4.35
USD/SGD	1.31-1.36	1.34	1.35	1.32	1.29

Rates, %	Current	1Q-25 Act	2Q-25	3Q-25	4Q25
Fed	4.25-4.50	4.25-4.50	4.25-4.50	4.25-4.50	4.00.-4.25
ECB	2.50	2.50	2.00	2.00	2.00
BOE	4.50	4.50	4.25	4.00	4.00
SNB	0.25	0.25	0.25	0.25	0.25
BOJ	0.50	0.50	0.50	0.75	0.75

RBA	4.10	4.10	3.85	3.60	3.60
RBNZ	3.75	3.75	3.50	3.25	3.00
BNM	3.00	3.00	3.00	3.00	3.00

Source: HLBB Global Markets Research

Up Next

Date	Events	Prior
9-Apr	JN Consumer Confidence Index (Mar)	35
	US MBA Mortgage Applications	-1.60%
9-15 Apr	CH Aggregate Financing CNY YTD (Mar)	9290.0b
10-Apr	US FOMC Meeting Minutes	
	JN PPI YoY (Mar)	4.00%
	JN Bank Lending Incl Trusts YoY (Mar)	3.10%
	AU Consumer Inflation Expectation (Apr)	3.60%
	CH PPI YoY (Mar)	-2.20%
	CH CPI YoY (Mar)	-0.70%
	US CPI Ex Food and Energy YoY (Mar)	3.10%
	US Initial Jobless Claims	219k
	US Real Avg Weekly Earnings YoY (Mar)	0.60%

Source: Bloomberg

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