

11 April 2025

Global Markets Research

Daily Market Highlights

11 Apr: Renewed selloffs in Wall Street

White House's clarification on 145% tariff on China jolted US equities, USD and oil prices
Trump's mulling of an extension to the 90-day tariff pause failed to support sentiments
Little change in Fed rate cut bets despite softer than expected US CPI

- Wall Street's euphoria over President Trump's tariff pause proved to be short-lived. US stocks, the US Dollar and oil prices took a tumble overnight after the White House clarified that the tariffs charged to China totalled 145%, and not 125% stated earlier, further escalating trade tension between the world's two largest economies. Meanwhile, President Trump did not rule out possibility of extending its 90-day tariff pause for most other countries, but this did little to console investors, resulting in a renewed selloff in Wall Street. S&P 500 closed the day down 3.5%, Nasdaq lost 4.3% while the Dow dropped 2.5% d/d, all managed to narrow early session losses. Earlier in the day, European and Asian stocks had joined Wall Street's Wednesday relief rally.
- In the bond space, Treasury yields closed mixed but saw some pullback following the softer than expected March inflation prints in the US. The 2Y yields fell 5bps to 3.86%, but the 10Y rose 9bps to 4.43%. 10Y European bond fell 1-14bps after closing mixed the day before.
- In the forex space, DXY (-2.0% d/d to 100.87) extended its drop to a 6.5-month low after the softer US CPI prints, and the Dollar weakened against all its G10 peers save for the NOK. Haven assets CHF (+4.0% d/d) and JPY (+2.2% d/d to 144.45) led gainers, while the EUR also saw substantial gain (+2.3% d/d to 1.1201). GBP and AUD also strengthened by 1.2% d/d each to 1.2970 and 0.6224 respectively. Regional currencies also advanced against the greenback save for the PHP. CNH and SGD saw extended gains on Thursday, with the CNH advancing 0.5% d/d to 7.3094, while SGD chalked up a 0.8% d/d gain to 1.3303 vs the USD. MYR rebounded and strengthened 0.6% d/d to 4.4692 vs the greenback.
- In the commodity space, crude oil prices wiped out some of its previous gains on continuous trade war jitters after the steep tariffs on China. The WTI and Brent fell more than 3.0% d/d each to close at \$60.07/barrel and \$63.33/barrel respectively.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	39,593.66	-2.50
S&P 500	5,268.05	-3.46
NASDAQ	16,387.31	-4.31
Stoxx Eur 600	487.28	3.70
FTSE 100	7,913.25	3.04
Nikkei 225	34,609.00	9.13
CSI 300	3,735.12	1.31
Hang Seng	20,681.78	2.06
Straits Times	3,577.83	5.43
KLCI 30	1,463.13	4.47
FX		
Dollar Index	100.87	-1.98
EUR/USD	1.1201	2.30
GBP/USD	1.2970	1.17
USD/JPY	144.45	-2.24
AUD/USD	0.6224	1.15
USD/CNH	7.3094	-0.50
USD/MYR	4.4692	-0.60
USD/SGD	1.3303	-0.80
Commodities		
WTI (\$/bbl)	60.07	-3.66
Brent (\$/bbl)	63.33	-3.28
Gold (\$/oz)	3,155.20	3.23
Copper (\$\$/MT)	8,988.00	4.35
Aluminum(\$/MT)	2,370.00	2.33
CPO (RM/tonne)	4,489.50	-1.90

Source: Bloomberg, HLBB Global Markets Research

* CPO dated as of 9 April

Softer than expected inflation prints for the US

- Headline and core CPI undershot consensus expectations in March, but higher prices from tariffs and supply chain disruptions suggests that this easing trend may not last long. Headline prices fell 0.1% m/m and eased to +2.4% y/y (Feb: +0.2% m/m and +2.8% y/y), while core inflation decelerated to +0.1% m/m and +2.8% y/y respectively (Feb: +0.2% m/m and +3.1% y/y).
- The details showed that energy prices fell 2.4% m/m thanks to a 6.3% m/m drop in gasoline. Airline fares and recreation prices also dropped, probably due to lower energy costs and in line with cooler discretionary spending. Prices for used cars and trucks also declined, but we suspect that this will not be sustainable given the 25% tariff slapped on imported cars.
- Meanwhile, real average weekly earnings held steady at 0.8% y/y in March, while jobless claims remained low with the impact from the DOGE cuts yet to trickle in. Matching expectations, initial jobless claims rose 4k to 223k for the week ended April 5 (Mar 29: -6k), while continuing claims retreated 43k to 1850k for the week ended March 29 (Mar 22: +46k).

Australia's consumer inflation expectations and Japan's PPI accelerated; deflation persisted for China

- Elsewhere, price-related prints were mixed, with upticks seen in Australia and Japan while China continues to battle with deflationary pressures. Australia's consumer inflation expectations jumped 0.6ppts to 4.2% in April, we suspect due to tariff concerns, while Japan's producer prices accelerated more than expected to +4.2% y/y and +0.4% m/m (Feb: +4.1% y/y and 0.2% y/y), driven by higher prices for petroleum, coal and natural gas products.
- In contrast, both CPI and PPI came in lower than expected at -2.5% y/y and -0.1% y/y respectively for China (Feb: -2.2% y/y and -0.7% y/y). The 0.4% m/m in consumer prices were broadly in line with seasonal dip post Lunar New Year and reflects lower food prices due to warmer weather. That said, the second y/y contraction suggests a still sluggish domestic demand and the urgency to reflate the economy that will face greater pressure from the tit-for-tat trade war with the US.

House View and Forecasts

FX	This Week	1Q-25 Act	2Q-25	3Q-25	4Q-25
DX	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	3.50	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
11-Apr	MA Industrial Production YoY (Feb)	2.10%
	MA Manufacturing Sales Value YoY (Feb)	3.50%
	UK Monthly GDP (MoM) (Feb)	-0.10%
	US PPI Final Demand YoY (Mar)	3.20%
	US U. of Mich. Sentiment (Apr P)	57
	US U. of Mich. 1 Yr Inflation (Apr P)	5.00%
14-Apr	SI GDP SA QoQ (1Q A)	0.50%
	SI Singapore MAS April 2025 Monetary Policy Statement ()	
	US NY Fed 1-Yr Inflation Expectations (Mar)	3.13%
	CH Exports YoY (Mar)	-3.00%

Source: Bloomberg

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