21 April 2025

Global Markets Research

Daily Market Highlights

21 Apr: Thin trading due to Good Friday holiday

US, European and some Asian markets were closed for Good Friday; DXY slipped

Japan's inflation quickened as price of rice surged to its highest in 50 years

Malaysia's advanced 1Q GDP undershot expectations but exports beat; MYR weakened

- The US and European markets were closed for Good Friday holiday last Friday. In Asia, Japanese (Nikkei 225: +1.0% d/d), Korean (KOSPI: +0.5% d/d), Chinese (CSI 300 flattish) and Malaysian (KLCI 30: +1.1% d/d) equity markets closed higher amid thin trading. In particular, South Korea and Japan shipping stocks rose after President Trump's administration imposed docking fees on China-built ships.
- Today, trading in Asian stocks is likely to remain muted today with a number of regional markets still shut for Easter holiday. For Wall Street, it will be a busy earnings week, with Tesla and Alphabet results due for release, and as investors continue to grapple with tariff headlines and fallout, which seems to be broadening from goods to services.
- While the US treasuries and global commodity markets were also closed for trading, the Dollar traded mixed against its G10 peers and the DXY closed slightly lower by 0.2% d/d to 99.23 in the forex space. CHF, DKK and EUR (1.1393) led gains against USD in tune to 0.3% d/d each, while NZD (-0.6% d/d) and AUD (-0.2% d/d to 0.6377) underperformed their peers. JPY regained its safe haven mojo and appreciated 0.2% d/d to 142.18.
- Similarly, regional currencies closed mixed against the greenback. CNH (-0.1% d/d to 7.3061) and SGD (flattish at 1.3111) traded in a narrow range with Hong Kong and Singapore shut for the holiday. MYR weakened 0.2% d/d to 4.4137 against USD, as well as against most G10 and Asian currencies, after Malaysia's preliminary GDP undershot consensus forecasts although it came in in line with ours. For the week ahead, we are eyeing a possible trading range of 4.3775 – 4.4375.

Malaysia's advanced 1Q GDP growth softened to +4.4% y/y, its slowest in a year; exports growth unexpectedly picked up to +6.8% y/y in March and imports fell

- Advanced estimates showed the Malaysian economy grew at a slower pace of 4.4% y/y in 1Q25, tapering off from +5.0% y/y previously and coming in below consensus estimate but within

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	39,142.23	-1.33
S&P 500	5,282.70	0.13
NASDAQ	16,286.45	-0.13
Stoxx Eur 600	506.42	-0.13
FTSE 100	8,275.66	0.00
Nikkei 225	34,730.28	1.03
CSI 300	3,772.52	0.01
Hang Seng	21,395.14	1.61
Straits Times	3,720.33	1.58
KLCI 30	1,499.40	1.09
FX		
Dollar Index	99.23	-0.15
EUR/USD	1.1393	0.25
GBP/USD	1.3296	0.23
USD/JPY	142.18	-0.18
AUD/USD	0.6377	-0.20
USD/CNH	7.3061	0.07
USD/MYR	4.4137	0.15
USD/SGD	1.3111	-0.02
Commodities		
WTI ($/bbl)	64.68	3.54
Brent ($/bbl)	67.96	3.20
Gold ($/oz)	3,308.70	-0.54
Copper ($$/MT)	9,188.50	-0.16
Aluminum($/MT)	2,365.50	-1.11
CPO (RM/tonne)	4,266.00	0.41

Source: Bloomberg, HLBB Global Markets Research
** Dow Jones, S&P 500, Nasdaq, Stoxx Eur 600, FTSE 100, Hang Seng, STI, WTI, Brent, gold, copper, aluminium, CPO dated as of 17 April*

ours. All sectors saw softer momentum, with the exception of agriculture. The services and manufacturing sectors continued to be key growth engines, notably from wholesale & retail trade, transport & storage, info & communication, and export-oriented manufacturing like E&E. Meanwhile, the sharply slower growth in the construction sector was due to broad moderation across all segments, while the deeper contraction in mining was dragged by lower production of crude oil and natural gas. On the contrary, better growth in fishery & other agriculture subsectors offset the downturn in the oil palm subsector.

- In a separate release, exports growth gained speed for the 2nd straight month, beating consensus estimate for a slower increase and our expectation for a decline. Exports grew 6.8% y/y in March (Feb: +6.2% y/y), driven by sustained growth in manufacturing exports led by a 25.1% y/y jump in E&E exports, likely attributable to continuous front-loading shipment in anticipation of higher tariffs. By market destination, exports to the US jumped 50.8% y/y and was up 29.5% m/m, while exports to China fell 1.3% y/y but gained 22.7% m/m, adding to signs of ramping-up of shipment ahead of tariffs announcement on 2 April. Contrary to the upside surprises in exports growth, imports growth unexpectedly fell 2.8% y/y in March (Feb: +5.5% y/y), as imports of capital goods fell 19.2% y/y while intermediate goods imports contracted 0.6% y/y during the month, likely due wait and see approach by businesses due to tariff uncertainties. Again, continued albeit slower growth in consumption goods imports offered some relief that domestic demand will continue to underpin growth ahead. *(Please refer our separate commentary for details)*

Pick-up in Japan's inflation due to services and price of rice

- Japan's core-CPI matched expectations and accelerated to 3.2% y/y in March (prior+ +3.0% y/y), bolstered in part by surging rice prices, putting the central bank in a bind with tariff risks. To recap, we have pushed back our expectations for the next rate hike to 4Q from 3Q previously, giving the central bank more time to assess the impact from the trade war. The faster increase comes despite a drag from the government's utility subsidies. Services prices accelerated to 1.4% y/y (prior: +1.3% y/y), driven by wage growth, while food prices slowed to +7.4% y/y (prior: +7.6% y/y) even as the price of rice jumped 92.1% y/y due to adverse weather conditions.

FDI into China plunged 10.8% y/y in 1Q

- Foreign direct investment (FDI) into China plunged 10.8% y/y in 1Q, although indications showed that inflow showed marginal recovery in March supported by high-tech sectors. Moving forward, slower global trade growth and cautiousness in investment plans will likely keep any FDI into China in check for the near future, and any pick-up in total investments will likely be state-driven at this juncture.

- On a separate note, to draw FDI into China's services sector, China has proposed to lift its foreign equity ratio restrictions for app store services. This will further open its telecommunication and related digital services to foreign investors, allow financial institutions to expand the scope of their businesses and open up the medical and healthcare sectors.

House View and Forecasts

FX	This Week	2Q-25	3Q-25	4Q-25	1Q-26
DXY	97-101	99.70	98.35	97.01	95.70
EUR/USD	1.12-1.15	1.14	1.15	1.17	1.19
GBP/USD	1.30-1.35	1.31	1.32	1.33	1.34
USD/CHF	0.77-0.85	0.81	0.80	0.79	0.78
USD/JPY	139-145	142	139	136	133
AUD/USD	0.62-0.65	0.62	0.62	0.63	0.64
NZD/USD	0.55-0.61	0.57	0.57	0.58	0.58
USD/CNY	7.26-7.34	7.43	7.35	7.28	7.21
USD/MYR	4.37-4.44	4.54	4.50	4.47	4.40
USD/SGD	1.30-1.33	1.34	1.33	1.31	1.30

Rates, %	Current	2Q-25	3Q-25	4Q25	1Q26
Fed	4.25-4.50	4.00-4.25	3.75-4.00	3.50.-3.75	3.25-3.50
ECB	2.25	2.00	1.75	1.75	1.75
BOE	4.50	4.25	4.00	3.75	3.50
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	3.85	3.60	3.35	3.10
RBNZ	3.50	3.25	3.00	2.75	2.50
BNM	3.00	3.00	2.75	2.75	2.75

Source: HLBB Global Markets Research

Up Next

Date	Events	Prior
21-Apr	CH 1-Year Loan Prime Rate	3.10%
	CH 5-Year Loan Prime Rate	3.60%
	US Leading Index (Mar)	-0.30%
22-Apr	MA Foreign Reserves	$117.5b
	HK Unemployment Rate SA (Mar)	3.20%
	US Philadelphia Fed Non-Manufacturing Activity (Apr)	-32.5
	EC Consumer Confidence (Apr P)	-14.5
	US Richmond Fed Manufact. Index (Apr)	-4
	US Richmond Fed Business Conditions (Apr)	-14

Source: Bloomberg

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