

22 April 2025

Global Markets Research

Daily Market Highlights

22 Apr: Sell-off in US assets resumed after Easter break

Continuous jittery over trade war; Trump's verbal attack on Powell weighs on sentiment
US equities tumbled; USTs closed mixed; USD weakened against all G10 and Asian FX
US leading index fell further to signal softer growth ahead; PBoC kept 1Y & 5Y LPR steady

- "Sell America" trade resumed post the Easter break, amid ongoing uncertainty over tariffs and President Trump's further verbal attacks on Fed Chair Jerome Powell, the latter stoking concerns that Trump will act on his threat of firing Powell and undermined the independence of the central bank. The three major US stock indices tumbled 2.4-2.6% d/d, with every sector within S&P 500 traded in red. Treasuries closed mixed, with the front end garnering some safety bids. The 2Y yield fell 4bps to 3.76%, while the 10Y jumped 9bps to 4.41%.
- European bourses were spared since they were still closed for the Easter break. Asian markets traded mixed earlier in the day, with CSI 300 rising 0.3% d/d after the PBoC kept its Loan Prime Rates (LPR) unchanged, but Nikkei 225 ended 1.3% lower. Regional bourses will likely come under pressure today, following Wall Street's sell-off overnight.
- In the forex space, DXY tested 97.92, its lowest since early 2022 before narrowing its losses to close 1.0% d/d lower at 98.28. The Dollar weakened against every G10 peers amid investors' jittery over the trade war and as Trump ratcheted up his attack at Powell. NZD and DKK led gains against USD at +1.0-1.1% d/d, while EUR rallied +1.1% d/d to 1.1515, its highest since 2021. GBP and AUD strengthened at a milder pace of 0.6% d/d each to 1.3379 and 0.6415 respectively.
- Similarly, all regional currencies strengthened against the Dollar, with THB (+1.1% d/d), MYR (+1.0% d/d to 4.3700) and JPY (+0.9% d/d to 140.86) outperforming their Asian peers. SGD appreciated 0.5% d/d to 1.3042, while CNH strengthened 0.2% d/d to close the day at 7.2934.
- In the commodity space, crude oil declined in tune to 2.5% d/d each to \$63.08/barrel for the WTI and \$66.26/barrel for Brent on signs of progress in US-Iran talks amid the market turmoil.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	38,170.41	-2.48
S&P 500	5,158.20	-2.36
NASDAQ	15,870.90	-2.55
Stoxx Eur 600	506.42	-0.13
FTSE 100	8,275.66	0.00
Nikkei 225	34,279.92	-1.30
CSI 300	3,784.88	0.33
Hang Seng	21,395.14	1.61
Straits Times	3,759.22	1.05
KLCI 30	1,499.47	0.00
FX		
Dollar Index	98.28	-0.96
EUR/USD	1.1515	1.07
GBP/USD	1.3379	0.62
USD/JPY	140.86	-0.93
AUD/USD	0.6415	0.60
USD/CNH	7.2934	-0.17
USD/MYR	4.3700	-0.99
USD/SGD	1.3042	-0.53
Commodities		
WTI (\$/bbl)	63.08	-2.47
Brent (\$/bbl)	66.26	-2.50
Gold (\$/oz)	3,406.20	2.95
Copper (\$\$/MT)	9,188.50	-0.16
Aluminum(\$/MT)	2,365.50	-0.69
CPO (RM/tonne)	4,186.50	-1.86

Source: Bloomberg, HLBB Global Markets Research

* Stoxx Eur 600, FTSE 100, Hang Seng, copper & aluminium prices dated as of 17 April, CPO dated as of 18 April

China kept 1Y and 5Y LPR steady

- 1- and 5Y loan prime rates (LPR) were kept unchanged at 3.10% and 3.65% as expected, in a bid to support the economy and the

yuan, as Trump's tariff pressures the currency. As it is, the decision comes as China reported better-than-expected economic data recently, with 1Q GDP, March's retail sales and IPI data all beating forecasts. That said, low inflation and headwinds from the escalating tariff war will provide a strong case for easing going forward, with us pencilling in a 25bps rate cut in its policy rates later in the year.

US' leading index fell; Conference Board downgraded its GDP forecast for 2025

- Leading index fell further and more than expected by 0.7% m/m in March (Feb: - 0.2% m/m), pointing to slowing economic activity ahead. Large drops in three (consumer expectations, stock prices and new orders in manufacturing) of the ten components fuelled the decline. In tandem with the release, the Conference Board also revised its growth forecast for 2025 to below potential at 1.6%, reflecting the impact from the trade war and its repercussions on inflation, supply chain disruption, weaker labour market, less investment and spending.

House View and Forecasts

FX	This Week	2Q-25	3Q-25	4Q-25	1Q-26
DX	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
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

23-Apr	US Richmond Fed Manufact. Index (Apr)	-4
	US Richmond Fed Business Conditions (Apr)	-14
	AU S&P Global Australia PMI Mfg (Apr P)	52.1
	AU S&P Global Australia PMI Services (Apr P)	51.6
	JN Jibun Bank Japan PMI Mfg (Apr P)	48.4
	JN Jibun Bank Japan PMI Services (Apr P)	50
	MA CPI YoY (Mar)	1.50%
	EC HCOB Eurozone Manufacturing PMI (Apr P)	48.6
	EC HCOB Eurozone Services PMI (Apr P)	51
	HK CPI Composite YoY (Mar)	1.40%
	UK S&P Global UK Manufacturing PMI (Apr P)	44.9
	UK S&P Global UK Services PMI (Apr P)	52.5
	EC Construction Output MoM (Feb)	0.20%
	EC Trade Balance NSA (Feb)	1.0b
	US MBA Mortgage Applications	-8.50%
	US S&P Global US Manufacturing PMI (Apr P)	50.2
	US S&P Global US Services PMI (Apr P)	54.4
	US New Home Sales MoM (Mar)	1.80%
	US Fed Releases Beige Book	

Source: Bloomberg

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