

28 April 2025

## Global Markets Research

### Daily Market Highlights

## 28 Apr: Investors continue to snap up US assets

**US stocks gained amid mixed earnings; UST yields tumbled; DXY firmly above 99-handle**  
**GBP pared losses after UK's retail sales beats; China's industrial profits increased**

**All eyes on US GDP, core PCE, NFP and earnings from 4 of Magnificent 7 stocks this week**

- Global equities ended the week on a positive note, with the three major US stock indices closing up for the fourth consecutive day. Tesla and Alphabet shares helped push Nasdaq up 1.3% d/d, S&P 500 gained 0.7% d/d, while the Dow inched up 0.1% d/d. Driving Alphabet shares was its profit beat, while Tesla shares soared after the Trump administration eased safety rules for self-driving cars. Intel shares, nonetheless, tumbled after reporting a quarterly loss.
- Elsewhere, Stoxx Eur 600 ticked up 0.4% d/d, with jet engine maker Safran and defense contractor Saab AB reporting earnings beat. In Asia, Nikkei 225, CSI 300 and Hang Seng gained 1.9% d/d, 0.1% d/d and 0.3% d/d, on possible softening in US-China trade war, as China exempted some US goods from its 125% tariff.
- This week, investors will be scrutinizing a slew of economic prints and corporate earnings, with 4 of the Magnificent Seven stocks due to report earnings, while US GDP, PCE prices and NFP prints are also due for release, and thus, will likely set for a cautious open today.
- In other asset classes, the latest developments in the global trade front saw investors snapping up Treasuries and the Dollar. Treasury yields tumbled 5-8bps (prior: -5 to -9bps) across the curve, and the 2Y yield closed the day at 3.75% (-5bps) and the 10Y at 4.24% (-8bps). Save the UK gilts, 10Y European bond yields rose in tune to 1-4bps (prior: -3 to -8bps).
- The DXY closed 0.1% d/d higher at 99.47 with the Dollar strengthening against all its G10 peers. SEK, JPY (-0.7% d/d to 143.67) and NZD underperformed their peers, while EUR depreciated 0.2% d/d to 1.1365 after ECB's Holzmann said that US tariffs will likely weigh on Eurozone's inflation. GBP pared its losses to close 0.2% d/d weaker at 1.3315 following its better-than-expected retail sales print, while CAD depreciated at a mild pace of 0.1% d/d ahead of its General Election on April 28<sup>th</sup>.
- Regional currencies closed mixed, with CNH just above its flatline at 7.2885 against the USD. On the other hand, MYR closed slightly

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	40,113.50	0.05
S&P 500	5,525.21	0.74
NASDAQ	17,382.94	1.26
Stoxx Eur 600	520.45	0.35
FTSE 100	8,415.25	0.09
Nikkei 225	35,705.74	1.90
CSI 300	3,786.99	0.07
Hang Seng	21,980.74	0.32
Straits Times	3,823.78	-0.21
KLCI 30	1,509.20	0.18
<b>FX</b>		
Dollar Index	99.47	0.09
EUR/USD	1.1365	-0.22
GBP/USD	1.3315	-0.20
USD/JPY	143.67	0.73
AUD/USD	0.6395	-0.20
USD/CNH	7.2885	-0.02
USD/MYR	4.3737	0.03
USD/SGD	1.3148	0.27
<b>Commodities</b>		
WTI (\$/bbl)	63.02	0.37
Brent (\$/bbl)	66.87	0.48
Gold (\$/oz)	3,282.40	-1.49
Copper (\$\$/MT)	9,374.00	-0.20
Aluminum(\$/MT)	2,428.00	-0.86
CPO (RM/tonne)	4,157.50	0.35

Source: Bloomberg, HLBB Global Markets Research

\* CPO dated as of 24 April

weaker at 4.3737, while SGD weakened 0.3% d/d to 1.3148 vs the greenback.

- In the commodity space, the WTI and Brent rose 0.4-0.5% d/d to close at \$63.02/barrel and \$66.87/barrel respectively. The blast at the Shahid Rajaei port over the weekend could likely keep the tension between Iran-US heightened and oil prices well supported today.

#### **US Michigan Sentiment revised up but still lower on the month; services activity in Kansas City rose modestly**

- While the final University of Michigan Sentiment index was revised 1.4ppts up to 52.2 in April (Mar: 57.0), this marks its fourth straight month of decline as expectations plummeted due to ongoing uncertainty over the trade policy and consequently, concerns over inflationary pressure, the latter seeing the year-ahead inflation expectations surging to 6.5% (prior: 5.0%), its highest reading since 1981. The long-run inflation expectations also climbed 0.3ppts to 4.4% in April.
- The Kansas City Fed Services Activity index rose modestly to +3 in April from 0 previously, and expectations for the future remain in positive. Again, input price growth continued to outpace selling price growth by a substantial margin, not boding well for corporate earning prints going forward.

#### **UK's retail sales rose for the third month as sunny weather boosted clothing sales**

- Defying expectations for a drop, retail sales rose for the third month to +0.4% /m in March following February's +0.7% m/m, as sunny weather boosted sales for clothing and outdoor retailers, partly offsetting falls in supermarket sales. The Easter break will likely support spending in April, but consumer confidence has been falling and coupled with a slew of price increases starting April, these could likely squeeze consumer spending going forward.

#### **China's industrial profits rose; PBoC will keep monetary policy loose**

- Industrial profits rose 0.8% y/y in 1Q, with most sectors recording profits and crucial to lift business confidence and encourage companies to invest. Investment is largely state-driven currently, and will help Beijing achieve its 5% growth target.
- As it is, PBoC Governor Pan Gongsheng has commented recently that China's economy began the year well and is continuing with its upward trend, repeating his stance to keep monetary policy loose to support growth amid the ongoing trade turmoil, while its Finance Minister said that officials will take on more proactive and effective policies to support growth.

## Singapore's industrial output jumped but fell short of expectations

- Industrial output grew at a softer than expected pace by 5.8% y/y in March (Feb: +0.9% y/y) as the linchpin electronics output (+8.9% y/y vs +0.2% y/y) picked up pace ahead of any tariffs for this sector. Just a recap, chips and most electronics products are currently exempted from Trump's tariffs, but the former is still widely used in components that are subjected to tariffs, like cars. On a separate note, because of the tariff shocks, the IMF have also pared back their expectations for 2025's growth from 2.5% to 2.0%, at the upper scale of the official's projection of 0-2%.

## House View and Forecasts

FX	This Week	2Q-25	3Q-25	4Q-25	1Q-26
DXY	98-101	99.70	98.35	97.01	95.70
EUR/USD	1.12-1.16	1.14	1.15	1.17	1.19
GBP/USD	1.31-1.35	1.31	1.32	1.33	1.34
USD/CHF	0.80-0.85	0.81	0.80	0.79	0.78
USD/JPY	139-146	142	139	136	133
AUD/USD	0.62-0.66	0.62	0.62	0.63	0.64
NZD/USD	0.57-0.61	0.57	0.57	0.58	0.58
USD/CNY	7.26-7.33	7.43	7.35	7.28	7.21
USD/MYR	4.34-4.41	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
28-Apr	HK Exports YoY (Mar)	15.40%
	UK CBI Retailing Reported Sales (Apr)	-41
	US Dallas Fed Manf. Activity (Apr)	-16.3
29-Apr	EC ECB 1 Year CPI Expectations (Mar)	2.60%
	EC Economic Confidence (Apr)	95.2
	US Advance Goods Trade Balance (Mar)	-\$147.9b
	US FHFA House Price Index MoM (Feb)	0.20%
	US S&P CoreLogic CS US HPI YoY NSA (Feb)	4.08%
	US JOLTS Job Openings (Mar)	7568k
	US Conf. Board Consumer Confidence (Apr)	92.9
	US Dallas Fed Services Activity (Apr)	-11.3

Source: Bloomberg

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