

29 April 2025

Global Markets Research

Daily Market Highlights

29 Apr: Cautiousness ahead of key data and earnings

USD weakened after the drop in Dallas Fed manufacturing index; GBP rose to its 3Y high
Solid gains for USTs; Cautious trading for stocks ahead of key data & corporate earnings
Bessent: up to China to de-escalate the tension; Beijing unveils support for exporters

- After shedding small opening gains, the S&P 500 tumbled before climbing back into the green at close, extending its relief rally for the fifth day. The broad index closed 0.1% d/d higher, the Dow also rose 0.3% d/d, but Nasdaq lost 0.1% d/d as shares of Nvidia sank on news that Huawei is developing a new AI chip that hopes to rival Nvidia's products. News on the tariff front was quieter, with Treasury Secretary Bessent commenting that the ball is now in China's court to de-escalate the trade tension.
- In Europe, banking shares drove Stoxx Eur 600 up 0.5% d/d, while regional indices closed mixed. CSI 300 slid 0.1% d/d even China officials laid out policies to support exporting companies, which includes measures like special credit tools to support the export of large equipment, guidance for lenders to small and medium-sized trade firms and optimizing the exchange rate hedging tool for trade firms.
- In the bond space, Treasuries posted solid gain led by the front end. The 2Y yield closed the day 6bps lower at 3.69%, while the 10Y closed down 3bps at 4.21%. 10Y European bond yields increased in tune to 2-6bps, after rising 1-4bps the prior day.
- In the forex space, the Dollar (DXY: -0.5% d/d to 99.01) weakened broadly against its G10 peers after the Texas manufacturing print fell to its weakest since 2020, raising economic growth concerns for the US. GBP strengthened 1.0% d/d to 1.3441, its 3Y high, while haven currencies namely CHF and JPY climbed more than 1.0% d/d each to 0.8200 and 142.01 respectively. EUR appreciated 0.5% d/d to 1.1420 after ECB member François Villeroy de Galhau echoed his peers, saying that there is more room for rate cuts for the central bank. Regional currencies closed mixed, with CNH (+0.1% d/d to 7.2846) appreciating alongside its regional peers namely SGD (+0.5% d/d to 1.3085) and MYR (+0.2% d/d to 4.3640).
- In the commodity space, crude oil prices tumbled in tune to 1.5% d/d each to \$62.05/barrel for the WTI and \$65.86/barrel for Brent following the Texas manufacturing plunge, raising demand concerns and as investors largely await further developments on

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	40,227.59	0.28
S&P 500	5,528.75	0.06
NASDAQ	17,366.13	-0.10
Stoxx Eur 600	523.19	0.53
FTSE 100	8,417.34	0.02
Nikkei 225	35,839.99	0.38
CSI 300	3,781.62	-0.14
Hang Seng	21,971.96	-0.04
Straits Times	3,811.80	-0.31
KLCI 30	1,521.59	0.82
FX		
Dollar Index	99.01	-0.46
EUR/USD	1.1420	0.48
GBP/USD	1.3441	0.95
USD/JPY	142.01	-1.16
AUD/USD	0.6431	0.56
USD/CNH	7.2846	-0.05
USD/MYR	4.3640	-0.22
USD/SGD	1.3085	-0.48
Commodities		
WTI (\$/bbl)	62.05	-1.54
Brent (\$/bbl)	65.86	-1.51
Gold (\$/oz)	3,332.50	1.53
Copper (\$\$/MT)	9,378.00	0.04
Aluminum(\$/MT)	2,434.00	0.25
CPO (RM/tonne)	4,172.50	0.36

Source: Bloomberg, HLBB Global Markets Research
 * CPO dated as of 25 April

the trade front, US-Iran talk as well as key economic data and earnings reports from the oil majors this week.

Manufacturing activity in the Texas region fell sharply

- The tariff chaos saw the Dallas Fed Manufacturing Activity index fall sharper than expected by 20 points to -35.8 in April, its lowest reading since May 2020. The sharp drop in the new orders (fell 20 points to -20), and the future general business activity index (-15.2), suggest that outlook worsened as well. Of note, the raw materials price index jumped 11 points to 48.4, its highest reading since mid-2022, suggesting impending price pressure and/or squeeze in corporate profits.

UK retailers reported modest declines; remained pessimistic over outlook

- The CBI retailing reported sales fell at a more modest pace than expected at -8% in April (Mar: -41%) but retailers expect sales to fall at a quicker pace next month (-33%). As it is, retailers remain pessimistic over the outlook due to the impact of Autumn Budget measures, persistently weak consumer sentiment, and global economic uncertainty.

Sharp export growth for Hong Kong ahead of the 10% tariff

- Exports grew sharper than expected by 18.5% y/y in March (Feb: +15.4% y/y), driven by double-digit growth in demand from the Mainland and the US, the latter reflecting front-loading ahead of the 10% tariffs. Exports to the EU showed a mild increase, while those to other major Asian economies showed mixed performance. Given that Hong Kong has rather high exposure to the US, with its exports to the US accounting for 9% of GDP, the subsequent pullback in demand, slower global trade growth and supply chain disruption will pose major headwinds for Hong Kong's trade performance.

Singapore's employment growth slowed; unemployment rate crept up

- Employment growth slowed (+2.3k vs +7.7k) and unemployment rate crept up from 1.9% to 2.1% in 1Q, as the labour market softened and is expected to continue moderating ahead amid greater economic uncertainty on the external front. That said, unemployment rate at this level is within the non-recession range, as resident employment continued to increase for health & social services, as well as financial services sectors, but contracted in some outward-oriented sectors such as professional services, manufacturing, and information & communications.

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
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
30-Apr	UK Lloyds Business Barometer (Apr)	49
	JN Retail Sales MoM (Mar)	0.50%
	JN Industrial Production MoM (Mar P)	2.30%
	AU CPI Trimmed Mean YoY (Mar)	2.70%
	CH Manufacturing PMI (Apr)	50.5
	CH Non-manufacturing PMI (Apr)	50.8
	AU Private Sector Credit MoM (Mar)	0.50%
	CH Caixin China PMI Mfg (Apr)	51.2
	EC GDP SA QoQ (1Q A)	0.20%
	US MBA Mortgage Applications	-12.7%
	US ADP Employment Change (Apr)	155k
	US Employment Cost Index (1Q)	0.90%
	US GDP Annualized QoQ (1Q A)	2.40%
	US MNI Chicago PMI (Apr)	47.6
	US Personal Income (Mar)	0.80%
	US Personal Spending (Mar)	0.40%
	US Core PCE Price Index YoY (Mar)	2.80%
	US Pending Home Sales MoM (Mar)	2.00%

Source: Bloomberg

Hong Leong Bank Berhad

Fixed Income & Economic Research,
Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936

HLMarkets@hlbb.hongleong.com.my

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favourable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.