

1 April 2026

Global Markets Research

Daily Market Highlights

1 Apr: Risk-on with a possible end to the Middle East war

Trump looking to end the conflict in 2-3 weeks; UST yields, DXY and oil prices fell
US consumer confidence shaken by the war; Eurozone's CPI spiked on energy
BNM: Resilient growth of 4-5% expected for 2026 despite lingering risks

- US stocks ended 1Q on a high note amid reports that both Iran and the US are looking for a way out of the conflict. At the point of writing, President Donald Trump has said that he foresees US exiting Iran in two to three weeks and will leave it to other nations to resolve the issue of reopening the Strait of Hormuz.
- This saw the 3 major US stock indices closing up 2.5-3.8% d/d, with tech stocks, which have been under pressure since the conflict, leading gains, while energy and utilities underperformed. Brent and the WTI remained elevated with the resolution unlikely to undo the existing disruptions to global energy supply in the very short term. That said the WTI did erase its gains following Trump's speech and settled down 1.5% at \$101.38/barrel. Brent closed up 4.9% d/d to \$118.35/barrel.
- Elsewhere, Stoxx Eur 600 climbed 0.4% d/d earlier in the day. Most major Asian bourses like Nikkei 225 (-1.6% d/d) and CSI 300 (-0.9% d/d) tumbled, but are set to rebound today following the improved sentiment.
- Treasuries rose with the WTI retreating, and the benchmark 2Y and 10Y yields closed the day 3-4bps lower at 3.79% and 4.32%. Similarly, 10Y European bond yields fell 1-8bps.
- In the forex space, the DXY trimmed monthly gain and closed 0.6% d/d lower at 99.96. SEK (0.8% d/d), DKK (0.8% d/d) and EUR (0.8% d/d to 1.1553) outperformed their G10 peers, the latter following the spike in Eurozone's CPI. JPY and AUD appreciated 0.6-0.7% d/d to 158.72 and 0.6900 respectively, and the AUD will likely be under pressure today following the downward revision to its manufacturing PMI by 0.3ppts to 49.8 for March (Feb: 51.0). GBP/USD strengthened at a narrower pace of 0.3% d/d to 1.3227 after UK left its final 4Q unchanged at a soft 0.1% q/q (3Q: 0.1% q/q).
- On the regional front, CNH and SGD appreciated 0.3-0.4% d/d to 6.8892 and 1.2868 respectively, while MYR weakened 0.5%

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,341.51	2.49
S&P 500	6,528.52	2.91
NASDAQ	21,590.63	3.83
Stoxx Eur 600	583.14	0.41
FTSE 100	10,176.45	0.48
Nikkei 225	51,063.72	-1.58
CSI 300	4,450.05	-0.93
Hang Seng	24,788.14	0.15
Straits Times	4,885.45	-0.24
KLCI 30	1,690.36	0.15
FX		
Dollar Index	99.96	-0.55
EUR/USD	1.1553	0.77
GBP/USD	1.3227	0.31
USD/JPY	158.72	-0.62
AUD/USD	0.6900	0.69
USD/CNH	6.8892	-0.39
USD/MYR	4.0495	0.46
USD/SGD	1.2868	-0.33
USD/KHR	4,009.50	0.04
USD/THB	32.97	0.37
Commodities		
WTI (\$/bbl)	101.38	-1.46
Brent (\$/bbl)	118.35	4.94
Gold (\$/oz)	4,647.60	2.69
Copper (\$/MT)	12,335.50	0.92
Aluminum(\$/MT)	3,467.00	1.94
CPO (RM/tonne)	4,599.50	1.48

Source: Bloomberg, HLBB Global Markets Research
 * Closing as of 30 Mar for CPO

d/d to 4.0495 despite rather decent growth projection by BNM.

BNM projects resilient growth of 4-5% and well-contained inflation of 1.5-2.5% for 2026; expect no change in OPR this year barring further escalation in geopolitical risks

- Despite prevalent external uncertainties, Bank Negara Malaysia (BNM) expects the Malaysian economy to grow at a relatively decent pace of 4.0-5.0% in 2026 (midpoint: 4.5%). While a slight downshift from 5.2% in 2025, the growth projection range is wider than MOF's earlier projection of 4.0-4.5% and within ours at 4.6%, a sign of optimism that the Middle east conflict will have a relatively muted impact on Malaysia.
- BNM expects domestic demand to remain firm, supported by steady household spending amid firm labour market and policy supportive measures, strong but moderated investment activity amid realization of approved projects and roll-out of projects under the various national master plans, as well as continued export growth supported by higher global demand for semiconductors and steady inbound tourism. Refer to Research Alert "Resilient growth outlook despite lingering risks" dated 31 March 2026 for more details.

RBA: Not possible to predict future cash rate target with confidence

- No surprises from the minutes to the latest RBA March policy meeting but key highlights were: 1) RBA flagged risks that inflation would remain above target for a prolonged period following the surge in oil prices, and members agreed that some near-term tightening was likely required, be it at the March meeting or in the near future. 2) In relation to this, staff members also shared that **direct effect (via petrol prices) of oil prices remaining around \$100/barrel would lift headline inflation to around 5%**, 0.75ppts higher than had been expected earlier and **in line with our call for another rate hike in 2Q of 2026**. 3) RBA opined that it was not possible to predict the future path for the cash rate target given the high degree of uncertainty around the breadth and duration of the current conflict in the Middle East.
- On the data front, matching expectations, private sector credit grew at a faster rate of 0.6% m/m in February (Jan: 0.5% m/m), largely driven by demand from businesses rather than households.

Dent in US consumer confidence, softer job openings and home price appreciation

- Surging costs from tariffs and war notwithstanding, the Conference Board's Consumer Confidence index was firmer than expected at 91.8 in March (prior: 91.0) as a modest improvement in current condition (123.3 vs 118.7) outweighed the downshift in expectations index (70.9 vs 72.6). Amid peaks of softening in the jobs market, rising gasoline prices and mortgage rate, households growing cautious on income and spending intentions, we expect the weight of the impact from the oil spikes to be more evident and broader in the following month.
- The JOLTS report was just a tad softer than expected with job openings easing more than expected to 6882k in February from 7240k previously. There was also a pick-up in lay-offs to 1721k from 1660k (layoff rate: 1.1% vs 1.0%), while the number of job hirings fell 503k in the private sector. The quits rate also dropped to 1.9% (prior: 2.0%), implying low turnover and workers' confidence in finding a new job. This does not bode well for future wage growth, but will help to keep a lid on potential second round price effects from the higher energy costs.
- On the housing front, January's results showed that home price gains continued to cool, with the S&P House Price Index rising 0.9% y/y, a moderation from 1.1% y/y previously, while the FHFA House Price Index also followed the same path at 1.6% y/y and 0.1% m/m (prior: 0.3%vm/m). With confidence dented and mortgage rates spiralling up, the housing industry faces headwinds heading into the spring selling season.

Eurozone's CPI jumped on energy

- Although a shade softer than expected, inflation jumped from 1.9% y/y to 2.5% y/y in March. The surge was entirely energy driven (4.9% y/y vs -3.1% y/y), while food (2.4% y/y vs 2.5%y/y) and core inflation (2.3% y/y vs 2.4% y/y) moderated. With limited spillover from the energy surge at this juncture, the ECB will most likely maintain its policy rates in the April ECB meeting and pending concrete evidence of an end to the conflict.

China's manufacturing sector returned to growth

- March's PMIs surprised on the upside with both manufacturing and non-manufacturing turning expansionary at 50.4 (prior: 49.0) and 50.1 (prior: 49.5). As it is, the upturn for manufacturing reflects its first expansion in three months, led by production and new orders, and partially due to factories rushing to resume production after

the extended Lunar New Year holiday, and will face headwinds from higher shipping fees and costs for imported commodities, the latter already reflected in the jump in the price sub-indices tracking raw material inputs.

Firm sentiment for Japan's businesses

- Data this morning showed that the Tankan large manufacturing index improved more than expected to 17 in 1Q from 15 previously, although the outlook index was a shade softer at 14 vs 4Q's reading of 15. The survey also showed that predicted average USD/JPY for FY 2026 is 150.10, and in line with improved business sentiment, fixed asset investment by all large enterprises will continue to increase by 3.3% in FY 2026, firming rate hike bets for the BOJ.

House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	98-102	100.63	99.80	97.96	96.48
EUR/USD	1.13-1.17	1.14	1.15	1.17	1.19
GBP/USD	1.31-1.35	1.31	1.32	1.34	1.35
USD/CHF	0.77-0.82	0.79	0.78	0.76	0.75
USD/JPY	157-162	159	155	152	152
AUD/USD	0.67-0.70	0.68	0.69	0.70	0.71
NZD/USD	0.56-0.60	0.57	0.58	0.58	0.59
USD/CNY	6.88-6.93	6.93	6.88	6.84	6.77
USD/MYR	3.97-4.03	3.98	3.96	3.93	3.90
USD/SGD	1.27-1.30	1.29	1.28	1.27	1.25
USD/THB	32.00-34.00	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.6445	4.55	4.55	4.60	4.66
GBP/MYR	5.3513	5.23	5.23	5.26	5.28
AUD/MYR	2.7761	2.72	2.72	2.75	2.77
CNY/MYR	0.5862	0.58	0.58	0.58	0.58
SGD/MYR	3.1379	3.09	3.10	3.11	3.12

Rates, %	Current	2Q26	3Q26	4Q26	1Q27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.25-3.50	3.25-3.50
ECB	2.00	2.00	2.00	2.00	2.00
BOE	3.75	3.75	3.75	3.75	3.75
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	0.75	1.00	1.00	1.00
RBA	4.10	4.35	4.35	4.35	4.35
RBNZ	2.25	2.25	2.25	2.25	2.25
BNM	2.75	2.75	2.75	2.75	2.75

Source: HLBB Global Markets Research

Up Next

Date	Events	Prior
1-Apr	JN S&P Global Japan PMI Mfg (Mar F)	51.4
	MA S&P Global Malaysia PMI Mfg (Mar)	49.3
	VN S&P Global Vietnam PMI Mfg (Mar)	54.3

	AU Building Approvals MoM (Feb)	-7.20%
	CH RatingDog China PMI Mfg (Mar)	52.1
	EC S&P Global Eurozone Manufacturing PMI (Mar F)	51.4
	HK Retail Sales Value YoY (Feb)	5.50%
	UK S&P Global UK Manufacturing PMI (Mar F)	51.4
	EC Unemployment Rate (Feb)	6.10%
	US MBA Mortgage Applications	-10.50%
	US ADP Employment Change (Mar)	63k
	US Retail Sales Advance MoM (Feb)	-0.20%
	US S&P Global US Manufacturing PMI (Mar F)	52,4
	US ISM Manufacturing (Mar)	52.4
2-Apr	AU Exports MoM (Feb)	-0.90%
	AU Job Vacancies QoQ (Feb)	-0.20%
	US Challenger Job Cuts YoY (Mar)	-71.90%
	US Trade Balance (Feb)	-\$54.5b
	US Initial Jobless Claims	210k
	SI Purchasing Managers Index (Mar)	50.6

Source: Bloomberg

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