

2 April 2026

Global Markets Research

Daily Market Highlights

2 Apr: Ceasefire optimism unwound haven trades

Global stocks rallied; USTs wavered; oil prices & DXY fell on war-end optimism

Better than expected retail sales, hiring data and ISM manufacturing for the US

Mixed regional PMIs; higher electricity cost for some Malaysian households

- Growing war-end optimism saw US stocks rallying for the second day, oil prices easing, treasuries wavering while the DXY also fell for the second day. Led by Nasdaq, the 3 major US stock indices gained 0.5-1.2% d/d as investors assessed President Trump's comment that Iran's President had asked for a ceasefire, adding that the US would only consider it if the Strait of Hormuz were reopened. This comes a day after the president said that he expects the US military forces to leave Iran in the next 2-3 weeks.
- In the commodity space, the WTI settled down 1.2% d/d to \$100.12/barrel while Brent plunged 14.5% on the day to \$101.16/barrel. This massively narrowed the premium of Brent over WTI again, from between \$10-\$17/ barrel in the last two weeks (norm \$4/ barrel on average).
- In the bond space, the rally in treasuries stalled with investors awaiting Trump's Iran speech to the nation and US economic data showing steady hiring and consumer spending. The benchmark 2Y and 10Y bond yields closed the day 0-1bps higher at 3.80% and 4.32%.
- Elsewhere, Stoxx Eur 600 rebounded strongly by 2.5% d/d, while 10Y sovereign bond yields fell 1-9bps with the US President signalling a timeline to end the war. Kospi led the rebound in the Asia region at 8.4% d/d, while Nikkei 226, Hang Seng and CSI 300 closed in green in tune to 1.7-5.2% d/d.
- In the forex space, DXY slumped 0.3% d/d to 99.65 with the Dollar weakening against its G10 peers save NOK (-0.2% d/d) and JPY (-0.1% d/d to 158.82). GBP and AUD appreciated 0.4-0.6% to 1.3305 and 0.6928, while EUR strengthened at a narrower pace of 0.3% d/d to 1.1589 after Eurozone's unemployment rate unexpectedly worsened to 6.2% in February from 6.1% previously.
- Most Asian FX climbed against the Dollar. MYR outperformed most regional peers at +0.6% d/d at 4.0265, while SGD and CNH were 0.2-0.3% d/d stronger at 1.2831 and 6.8774.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,565.74	0.48
S&P 500	6,575.32	0.72
NASDAQ	21,840.95	1.16
Stoxx Eur 600	597.69	2.50
FTSE 100	10,364.79	1.85
Nikkei 225	53,739.68	5.24
CSI 300	4,526.07	1.71
Hang Seng	25,294.03	2.04
Straits Times	4,975.83	1.85
KLCI 30	1,708.90	1.10
FX		
Dollar Index	99.65	-0.31
EUR/USD	1.1589	0.31
GBP/USD	1.3305	0.59
USD/JPY	158.82	0.06
AUD/USD	0.6928	0.41
USD/CNH	6.8774	-0.17
USD/MYR	4.0265	-0.57
USD/SGD	1.2831	-0.29
USD/KHR	4,006.20	-0.08
USD/THB	32.57	-1.20
Commodities		
WTI (\$/bbl)	100.12	-1.24
Brent (\$/bbl)	101.16	-14.52
Gold (\$/oz)	4,783.20	2.92
Copper (\$/MT)	12,434.50	0.80
Aluminum(\$/MT)	3,531.50	1.86
CPO (RM/tonne)	4,700.00	2.19

Source: Bloomberg, HLBB Global Markets Research
* Closing as of 31 Mar for CPO

Mixed PMIs for the majors and region

- The final revisions to the March manufacturing PMIs for the majors were mixed, while business confidence for the year ahead largely deteriorated amid the war in the Middle East. In short, PMIs were revised up 0.2ppts each for the Eurozone (51.6 vs Jan: 50.8) and Japan (51.6 vs Jan: 53.0), and down for the US (-0.1ppts to 52.3 vs Jan: 51.6) and the UK (-0.4ppts to 51.0 vs Jan: 51.7).
- Freshly released regional PMIs for March were also mixed. The RatingDog China Manufacturing PMI retreated from recent February's peak of 52.1 to 50.8. Despite cost and supply chain pressures, manufacturers maintained an optimistic outlook for the coming year buoyed by improved market demand, capacity investment and supportive government policies.
- Vietnam's PMI eased sharply to 51.2 in March (February: 54.3), its softest since September as the war led to steep cost inflation, weighing on new orders and output. Given the country's reliance on oil import, the near-term outlook appears bleak until a concrete and speedy resolution between the US-Iran is achieved.
- On the flip side, Malaysia's PMI turned expansionary (50.7 vs 49.3) amid renewed growth in both output and employment sub-indices. Confidence ahead nonetheless waned to its 7-month low with the Middle East tension negatively affecting purchasing activity, delivery times, stock levels, and most importantly and price indicators.

Better than expected retail sales, hiring data and ISM manufacturing for the US

- US retail sales rebounded more than forecast at 0.6% m/m in February (prior: -0.1% m/m) in a broad advance across most categories. 10 out of 13 categories posted increases, including discretionary items like clothing and sporting goods/hobby stores. Motor vehicle sales rebounded after the severe winter weather crimped demand a month earlier, while spending at restaurants and bars, the only service-sector category, also rebounded during the month. The retail sales data also showed that the so-called control-group sales, which feed into the GDP calculation, increased the most since October at 0.5% m/m, salvaging 1Q spending data. In short, consumer demand was holding up ahead of the Iran war, helped by wage growth that outpaces and larger tax refunds.
- According to ADP, private employers added 62k job in March. Albeit a deceleration from 66k, the result was better than expected led by hiring in small establishments while hiring in trade, transportation, and utilities continued to decline.

Overall, hiring trend remains steady and continues to favor certain industries like health care, supporting solid pay gains for job changers at 6.6% y/y. Pay growth for job-stayers were unchanged for the third month at 4.5% y/y.

- The manufacturing sector, using the ISM index as a gauge, remained in expansion territory in March (+0.3ppts to 52.7), growing at a slightly faster pace than the month before. The result was better than forecast, led by strong production levels. A decent order book (new orders: 53.5 vs 55.8) suggests production will continue to grow in coming months, but rising prices (78.3 vs 70.5) and lower employment (48.7 vs 48.8) underscore challenges for this sector.
- On the housing front, mortgage rates climbed for a fourth straight week and to its highest since August to 6.57% (+14bps) in the week ended March 27, denting refinancing (-17.3% w/w vs -14.6% w/w) and home purchase (-2.6% w/w vs -5.4% w/w) activities. As it is, mortgage rates, which are tied to treasury yields, have turned up sharply as the war in Iran sparks concerns of higher inflation.

Sharp jump in building approvals for Australia

- Building approvals surprised sharply on the upside by growing 29.7% m/m in February (prior: -7.2% m/m) largely driven by private dwellings excluding houses. This marks its strongest since 2022 but could see demand slightly crimped by higher mortgage rates ahead.

Robust retail sales for Hong Kong

- Partially seasonal driven, retail sales saw a strong growth of 19.3% y/y in February (prior: 5.5% y/y). The result was better than expected amid broad-based increases led by discretionary items like jewellery, watches & clocks, motor vehicles & parts as well as furniture & fixtures. Stable labour market and tourist arrivals will continue to support sales going forward, while higher energy and potentially, financing costs could weigh on consumer spending.

Higher electricity costs for some Malaysian households

- According to Tenaga, the automatic fuel adjustment (AFA) for April has been set at a rebate of 0.47 sen/kWh as compared to 2.15 sen/kWh in March. Despite the higher base tariffs, low electricity's weightage in the CPI basket at 2.7%, green electricity and exemption for low-consumption domestic consumers, will help to mitigate overall inflationary pressure. Over a longer term, according to TNB's three-month projection, rebates are also expected to be low at 0.39 sen/kWh in May, 0.91 sen/kWh in June and 0.08 sen/kWh in July 2026, suggesting further increases in electricity costs.

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	4.6687	4.55	4.55	4.60	4.66
GBP/MYR	5.3518	5.23	5.23	5.26	5.28
AUD/MYR	2.7951	2.72	2.72	2.75	2.77
CNY/MYR	0.5857	0.58	0.58	0.58	0.58
SGD/MYR	3.1384	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
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
3-Apr	SI Purchasing Managers Index (Mar)	50.6
	JN S&P Global Japan PMI Services (Mar F)	52.8
	CH RatingDog China PMI Services (Mar)	56.7
	US Change in Nonfarm Payrolls (Mar)	-92k
	US Average Hourly Earnings MoM (Mar)	0.40%
	US Average Weekly Hours All Employees (Mar)	34.3
	US Unemployment Rate (Mar)	4.40%
	US S&P Global US Services PMI (Mar F)	51.1
	US ISM Services Index (Mar)	56.1

Source: Bloomberg

Hong Leong Bank Berhad

Fixed Income & Economic Research,
Global Markets
Level 8, Hong Leong Tower
6, Jalan Damansara
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.