3 March 2026

Global Markets Research
Daily Market Highlights

3 Mar: Spike in oil prices reignited inflationary fears

UST yields and DXY jumped with crude oil above $70/barrel on Iran strike
Energy stocks rallied; airlines stocks tumbled from US to Europe and Asia
US ISM manufacturing eased slightly; mixed PMIs for regional economies

- US stocks tumbled sharply at open after the US and Israel struck Iran over the weekend, only to pare losses later in the morning. At the end, the S&P 500 and Nasdaq closed up 0-0.4% d/d, but the Dow still closed the day in red at -0.2% d/d. Just 4 of the 11 sectors within the S&P 500 were positive on the day, while European and Asian stocks largely sold-off. Similar to Wall Street, airline stocks posted sharp losses while shares of oil, shipping and defense companies largely rallied.
- Outside of equities, crude oil prices jumped more than 6.0% with the widening Middle East crisis fuelling fears of a protracted closure of the Straits of Hormuz and attacks on energy infrastructure, disrupting supply flows. Gold continued to benefit from flight to safety, and closed the day 1.2% d/d up at $5,312/oz. The WTI and Brent closed the day at $71.23/barrel and $77.74/barrel respectively, higher by around 6.0-7.0% on the day.
- Moving forward, the duration and breadth of the conflict will determine how long oil prices stay elevated, but historically, the move has been sharp albeit relatively short-lived.
- Treasury yields jumped more than 7bps across the curve with the Iran conflict and higher crude oil prices reigniting inflation worries. The 2Y and 10Y yields rose 10bps to 3.48% and 4.03% respectively. 10Y European bond yields were also higher by 4-8bps.
- Higher UST yields saw investors snapping up the Dollar (DXY: 0.8% d/d to 98.38), and all G10 currencies weakened against the greenback. SEK, CHF, EUR (1.1688) and DKK depreciated more than 1% d/d each, while CAD and AUD (0.7093) weakened at a lesser pace of 0.3-0.4% d/d given its commodity exposure.
- Regional currencies were equally weaker against the greenback. THB (-1.2% d/d), PHP (-0.9% d/d) and MYR (-0.9% d/d to 3.9270) were notable underperformers, while SGD depreciated 0.7% d/d to 1.2740.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	48,904.78	-0.15
S&P 500	6,881.62	0.04
NASDAQ	22,748.86	0.36
Stoxx Eur 600	623.63	-1.61
FTSE 100	10,780.11	-1.20
Nikkei 225	58,057.24	-1.35
CSI 300	4,728.67	0.38
Hang Seng	26,059.85	-2.14
Straits Times	4,890.86	-2.09
KLCI 30	1,700.21	-0.96
FX		
Dollar Index	98.38	0.79
EUR/USD	1.1688	-1.05
GBP/USD	1.3407	-0.56
USD/JPY	157.39	0.86
AUD/USD	0.7093	-0.35
USD/CNH	6.9010	0.56
USD/MYR	3.9270	0.89
USD/SGD	1.2740	0.70
USD/KHR	4,011.00	0.04
USD/THB	31.45	1.17
Commodities		
WTI ($/bbl)	71.23	6.28
Brent ($/bbl)	77.74	7.26
Gold ($/oz)	5,311.60	1.21
Copper ($/MT)	13,108.00	-1.76
Aluminum($/MT)	3,194.50	1.74
CPO (RM/tonne)	3,956.50	-1.46

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 27 Feb for CPO*

Mixed revisions to the final manufacturing PMIs for the majors, equally mixed for fresh regional data

- Mixed revisions to the final February PMIs for the majors, upward for the US (+0.4ppts to 51.6 vs 52.4) and Japan (+0.2ppts to 53.0 vs 51.5), unchanged for the Eurozone (50.8 vs 49.5) and downward revised for the UK (-0.3ppts to 51.7 vs 51.8). Manufacturers also reported improved optimism over the outlook. However, the escalating military tensions between the US-Iran have heightened global geopolitical risks, driving oil prices higher and supply risk with the closure of the Strait of Hormuz, a headwind to the manufacturing sector in the coming months.
- On the regional front, fresh Malaysia's manufacturing PMI retreated to 49.3 in February from 50.2 previously, its first moderation in 4 months. Underpinning the weakness were renewed slowdowns in output and new orders, while business sentiment also waned.
- Vietnam's PMI rose to its 4-month high of 54.3 (prior: 52.5) and business were also most confident on their future in almost 3.5 years. Most of the key variables also pointed to stronger growth ahead, but this stronger demand environment has also resulted in a build-up in inflationary pressures.
- Supported by stronger new orders and exports, Singapore's official PMI edged up 0.1ppts to 50.6 in February. The electronics sectors continued to outperform, also growing 0.2ppts to 51.3 and will continue to be supported from the recent AI boom.

US manufacturing sector grew at a slower pace in January as compared to the previous month

- The ISM manufacturing index eased less than expected by 0.2ppts to 52.4 in January. Of the sub-indices that made up the PMI, New Orders (55.8 vs 57.1) and Production indicated slower growth, while Employment (48.8 vs 48.1) and Inventories indices remained in contraction. Prices paid jumped from 59.0 to 70.5, with soaring commodity prices like metal and crude oil adding to the cost pressure.

UK's home prices held steady, but mortgage approvals tumbled

- Mixed housing-related data for the UK. Mortgage approvals fell more than expected to 60k in January, its lowest since January 2024 but home prices (Nationwide House Price index steady at 0.3% m/m and 1.0% y/y) remained strong at the start of the year.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	96-100	96.71	95.13	94.70	95.49
EUR/USD	1.16-1.20	1.20	1.22	1.22	1.21
GBP/USD	1.33-137	1.36	1.37	1.37	1.35
USD/CHF	0.75-0.79	0.78	0.78	0.78	0.78
USD/JPY	153-159	153	149	147	147
AUD/USD	0.69-0.73	0.68	0.69	0.70	0.69
NZD/USD	0.58-0.62	0.58	0.59	0.59	0.58
USD/CNY	6.82-6.87	6.90	6.83	6.85	6.90
USD/MYR	3.86-3.93	4.00	3.97	3.97	4.00
USD/SGD	1.25-1.28	1.26	1.23	1.23	1.24
USD/THB	30.80-31.60	32.2	32,1	32.0	30.8

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.6066	4.78	4.82	4.85	4.84
GBP/MYR	5.2514	5.44	5.45	5.45	5.41
AUD/MYR	2.7797	2.72	2.75	2.78	2.76
CNY/MYR	0.5707	0.58	0.58	0.58	0.58
SGD/MYR	3.0883	3.17	3.21	3.23	3.22

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
Fed	3.50-3.75	3.50-3.75	3.25-3.50	3.25-3.50	3.00-3.25
ECB	2.00	2.00	2.00	2.00	2.00
BOE	3.75	3.50	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	0.75	0.75	1.00	1.00
RBA	3.85	3.85	4.10	4.10	4.10
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
3-Mar	JN Jobless Rate (Jan)	2.60%
	JN Capital Spending YoY (4Q)	2.90%
	AU Building Approvals MoM (Jan)	-14.90%
	EC CPI Core YoY (Feb P)	2.20%
4-Mar	AU S&P Global Australia PMI Services (Feb F)	52.2
	AU GDP SA QoQ (4Q)	0.40%
	HK S&P Global Hong Kong PMI (Feb)	52.3
	SI S&P Global Singapore PMI (Feb)	56.8
	JN S&P Global Japan PMI Services (Feb F)	53.8
	CH Manufacturing PMI (Feb)	49.3
	CH Non-manufacturing PMI (Feb)	49.4
	CH RatingDog China PMI Services (Feb)	52.3
	JN Consumer Confidence Index (Feb)	37.9
	HK Retail Sales Value YoY (Jan)	6.60%
	EC HCOB Eurozone Services PMI (Feb F)	51.8
	UK S&P Global UK Services PMI (Feb F)	53.9
	EC PPI YoY (Jan)	-2.10%
	EC Unemployment Rate (Jan)	6.20%
	US MBA Mortgage Applications	0.40%
	US S&P Global US Services PMI (Feb)	52.3
	US ISM Services Index (Feb)	53.8

Source: Bloomberg

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