5 March 2026

Global Markets Research

Daily Market Highlights

5 Mar: Slight recovery in global investor sentiments

Broadly positive and stronger economic data bolstered sentiments

Mixed equities & bonds; DXY slid; more modest gain in crude oil prices

BNM expected to maintain OPR today; all eyes on China's NPC meeting

- Global equity markets closed mixed overnight in day 5 of the Iran conflict. Equity markets sank across Asia with Kospi leading losses at 12% d/d, while bourses in US and Europe ended the session higher with investors largely shrugging off the war fears, and amid report saying Iran is initiating contacts to begin talk with the US to end the war.
- In Wall Street, the 3 major stock indices closed up 0.5-1.3% d/d with a couple of stronger than expected economic data largely assuaging fears of the state of the US economy and bolstered sentiment. Technology stocks supported the broader market, while energy stocks retreated in line with the calmer gains in crude oil prices.
- The WTI and Brent closed the day flattish to slightly up at $74.66/barrel and $81.40/barrel after Treasury Secretary Scott Bessent said that the US will provide insurance and military escorts for both the crude carriers and the cargo ships operating in around the Gulf, helping to sooth supply disruption concerns. He also added that the US is likely to implement the 15% global tariff this week.
- In the bond space, treasury yields continued to edge higher, but 10Y European bond yields retreated 0-3bps. Yields to the benchmark 2Y and 10Y UST rose 4bps each to 3.55% and 4.10%.
- In the forex space, the rebound in risk sentiment saw Dollar weakening against its G10 peers and the DXY closing the day 0.3% d/d lower at 98.77. SEK climbed 1.0% d/d and led G10 gains against the greenback, closely followed NZD (0.9% d/d) and AUD (0.6% d/d to 0.7075). EUR, GBP and JPY appreciated 0.1-0.4% d/d to 1.1634, 1.3375 and 157.06 respectively.
- Asian currencies closed mixed against the greenback with KRW outperforming its peers at 1.8% d/d. CNH, MYR and SGD closed 0.1-0.4% d/d stronger at 6.8951, 3.9437 and 1.2752.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	48,739.41	0.49
S&P 500	6,869.50	0.78
NASDAQ	22,807.48	1.29
Stoxx Eur 600	612.71	1.37
FTSE 100	10,567.65	0.80
Nikkei 225	54,245.54	-3.61
CSI 300	4,602.63	-1.14
Hang Seng	25,249.48	-2.01
Straits Times	4,812.75	-2.11
KLCI 30	1,698.22	-0.80
FX		
Dollar Index	98.77	-0.29
EUR/USD	1.1634	0.18
GBP/USD	1.3375	0.13
USD/JPY	157.06	-0.43
AUD/USD	0.7075	0.55
USD/CNH	6.8951	-0.35
USD/MYR	3.9437	-0.06
USD/SGD	1.2752	-0.14
USD/KHR	4,010.50	0.01
USD/THB	31.44	-0.01
Commodities		
WTI ($/bbl)	74.66	0.13
Brent ($/bbl)	81.40	0.00
Gold ($/oz)	5,134.70	0.21
Copper ($/MT)	13,057.50	0.79
Aluminum($/MT)	3,342.50	2.81
CPO (RM/tonne)	4,052.50	0.56

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 3 Mar for CPO*

Mostly steady services PMIs for the majors in February; upbeat PMIs for Hong Kong and Singapore; mixed for China

- The final revisions to February's PMIs for the majors were mixed; revised 0.6ppts lower to 51.7 for the US (Jan: 52.7), revised 0.1ppts up to 51.9 (Jan: 51.6) for the Eurozone and left unchanged for the UK (53.9 vs 54.0) and Japan (53.8 vs 53.7), the latter seeing business confidence improving and selling prices rising to its highest in 12 years.
- Closer to home, Hong Kong's composite PMI (53.3 vs 52.3) signals strongest growth momentum in nearly 3 years in February, supported by sharper gains in output and new orders, the latter amid broad-based sales to both Mainland China and international markets. In tandem with this, the outlook for business activity was less downbeat.
- Singapore's composite PMI jumped from 56.8 to 59.2, its second-fastest pace on record. Sharp increases in new orders, output and confidence (the most optimistic in over 5 years) suggest sustained growth momentum at this juncture.
- China's PMIs (manufacturing: 52.1 vs 50.3, services: 56.7 vs 52.3) were equally positive according to the same private survey, but official data paints a different picture and thus, signals tepid growth for the economy. The official manufacturing PMI worsened more than expected to 49.0 from 49.3 previously as manufacturers paused production and cargo shipment to celebrate the Lunar New Year, while non-manufacturing saw a slight pick-up, albeit also below expectations at 49.5 (prior: 49.4), the latter consistent with a pick-up in travel, entertainment activities and duty-free shopping during the 9-day holiday.
- The divergence reflects the sample size of the surveys but nonetheless, outlook for China has darkened with the Iran war likely to complicate the already struggling domestic demand. All eyes will be on series of economic priorities at the National People's Congress (NPC) meeting opening Thursday and at the point of writing, reports are that Beijing is targeting GDP growth of "4.5-5.0" for 2026 (2025: 5.0%) and maintaining its CPI and budget deficit targets at "around 2%" and "around 4% of GDP" this year.

US economy grew at a slight-to-moderate pace; services sector heating up while private employers added 63k jobs in February

- No surprises from the Beige Book but in short, overall economic activity increased at a slight to moderate pace in 7 districts, while 5 reported flat/declining activity (prior: 8 and 4). Economic expectations were equally optimistic, with most districts expecting slight to moderate growth in the coming months as well. Consumer spending increased slightly on balance, auto sales were mostly down on affordability issue, manufacturing activity improved since the last report, financial services activity was reported as stable-to-up led by commercial lending activities. Activity in the residential real estate fell slightly a contrast to the higher mortgage applications reported during the day (11.0% w/w for the week ended Feb 27 vs 0.4% w/w).

- February's services ISM unexpectedly improved 2.3ppts to its highest reading since July 2022 at 56.1. Signs are the sector is also heating up, with the business activity, new orders (+5.5ppts to 58.6) and new export orders sub-indices their highest levels since 2024. Employment index expanded for the third month in a row at 51.8 (+1.5ppts), while price index eased to its lowest in 11 months at 63.0 (-3.6ppts).
- According to the ADP employment survey, hiring jumped a whopping 63k in February after the prior month's +11k, delivering the best showing for job gains since July 2025. The decision was better than forecast and led by construction as well as education & health services sectors. Despite the solid increase in hiring and pay gains, job gains remain concentrated in only a few sectors and showed no widespread pay benefit from changing jobs. Pay growth for job-stayers was unchanged at 4.5% y/y, while those for job-changers slowed to 6.3% y/y.

Upward surprise to Eurozone's PPI; unexpected improvement in jobless rate

- In another upward surprise for Eurozone's inflation print, the producer prices (PPI) rebounded by 0.7% m/m in January from a contraction of 0.3% m/m the prior month. The uptick was driven by a 1.3% m/m jump in energy, while prices for capital and durable goods also grew.
- On a positive note, unemployment rate unexpectedly improved from 6.3% to 6.1% for the same month giving leeway for the ECB to manoeuvre if need to.

Australia's economy grew a strong 0.8% q/q in 4Q

- Matching expectations, Australia's economy grew a robust 0.8% q/q and were up 2.6% y/y in 4Q, picking up momentum from 0.5% q/q and 2.1% y/y in 3Q. There was broad-based growth on the domestic demand front, while net export contributed negatively to GDP (-0.1ppts). Gains were also observed in a large majority of industries, while strong profits and highest household savings rate since 2022 suggests sustained growth momentum and possibly, another RBA rate hike in the near term.

Japan's consumer confidence near its 7-year high

- Consumer confidence improved more than expected and for the second month to its highest in nearly 7 years at 40 in February (prior: 37.9). Broad-based gains were observed led by acceleration in overall livelihood and willingness to buy durable goods, boding well for spending outlook for consumers.

Better than expected growth for Hong Kong's retail sales

- Retail sales grew solidly and better than expected by 5.5% y/y in January (prior: 6.6% y/y) despite the higher base effect last year. Sales within the sub-categories were mixed led by upticks in discretionary goods like jewellery, watches & clocks, electrical goods and other consumer durable goods not elsewhere classified, while declines in food, alcoholic drinks & tobacco as well as sales in supermarkets and department stores led to the deceleration. Robust economic growth momentum and sustained growth in inbound visitors will continue to underpin local consumption and retail businesses in the near term.

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	6.85-6.94	6.90	6.83	6.85	6.90
USD/MYR	3.89-3.96	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	4.5773	4.78	4.82	4.85	4.84
GBP/MYR	5.2691	5.44	5.45	5.45	5.41
AUD/MYR	2.7758	2.72	2.75	2.78	2.76
CNY/MYR	0.5713	0.58	0.58	0.58	0.58
SGD/MYR	3.0891	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
5-Mar	AU Trade Balance (Jan)	A$3373m
	AU Household Spending MoM (Jan)	-0.40%
	SI Retail Sales SA MoM (Jan)	-5.40%
	MA BNM Overnight Policy Rate	2.75%
	EC Retail Sales MoM (Jan)	-0.50%
	US Challenger Job Cuts YoY (Feb)	117.80%
	US Import Price Index YoY (Jan)	0.00%
	US Unit Labor Costs (4Q P)	-1.90%
6-Mar	US Initial Jobless Claims	212k
	VN CPI YoY (Feb)	2.53%
	VN Exports YoY (Feb)	29.70%
	VN Industrial Production YoY (Feb)	21.50%
	VN Retail Sales YoY (Feb)	9.30%
	EC GDP SA QoQ (4Q T)	0.30%
	EC Employment QoQ (4Q F)	0.20%
	US Change in Nonfarm Payrolls (Feb)	130k
	US Average Hourly Earnings YoY (Feb)	3.70%
	US Average Weekly Hours All Employees (Feb)	34.3
	US Unemployment Rate (Feb)	4.30%

Source: Bloomberg

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