Global Markets Research
Daily Market Highlights

6 Apr: Risk off likely today amid escalation in tension again

Stronger than expected NFP saw traders betting for a hold in Fed rates
Resolution in strike, better weather saw job gains in leisure & construction
UST yields slightly higher; mild trading elsewhere with most markets closed

- Most commodity markets and major bourses were closed for the Easter weekend last Friday, but in the equity markets, Nikkei 225 was up 1.3% d/d amid broad-based gains, while CSI 300 reversed early gains and closed the day 0.9% d/d lower.
- Treasury yields, meanwhile, climbed modestly (2Y: +4bps to 3.84% and 10Y: +4bps to 4.34%) with bond traders betting that the Fed will keep the Fed funds rate steady this year after US added a higher-than-expected 178k jobs in March.
- Most G10 and regional FXs traded in a tight range against the greenback and the DXY closed flat at 100.03. EUR, GBP, JPY and AUD weakened between 0-0.2% d/d to close the day at 1.1519, 1.3202, 159.67 and 0.6895 respectively. Closer to home, SGD depreciated less than 0.1% d/d to 1.2866 against USD, while the MYR closed 0.2% d/d stronger at 4.0300 vs the greenback.
- Equity futures fell, while oil extended gains this morning with the Trump signalling an escalation in war. At the point of writing, Brent is trading at $110.73/barrel, and the WTI at $113.13/barrel, while haven demand saw the DXY up at 100.24.

Stronger than expected US NFP saw traders pencilling no change in rates for 2026

- March's non-farm payroll (NFP) and unemployment rate data surprised on the upside. The nonfarm sector added 178k jobs in March, a bigger than expected rebound from the -133k in February (downwardly revised from -92k). There was a 7k downward revision in the previous two months data, unemployment rate unexpectedly eased to 4.3% from 4.4% previously mainly a result of a decline in the labour force, while average weekly hours and hourly earnings eased to 34.2 hours and 0.2% m/m for the month (prior: 34.3 hours and 0.4% m/m).

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,504.67	-0.13
S&P 500	6,582.69	0.11
NASDAQ	21,879.18	0.18
Stoxx Eur 600	596.63	-0.18
FTSE 100	10,436.29	0.69
Nikkei 225	53,123.49	1.26
CSI 300	4,440.79	-0.85
Hang Seng	25,116.53	-0.70
Straits Times	4,947.50	-0.57
KLCI 30	1,695.50	-0.16
FX		
Dollar Index	100.03	0.00
EUR/USD	1.1519	-0.17
GBP/USD	1.3202	-0.19
USD/JPY	159.67	0.04
AUD/USD	0.6895	-0.22
USD/CNH	6.8859	-0.06
USD/MYR	4.0300	-0.24
USD/SGD	1.2866	0.05
USD/KHR	4,003.25	-0.04
USD/THB	32.60	-0.50
Commodities		
WTI ($/bbl)	111.54	11.41
Brent ($/bbl)	109.03	7.78
Gold ($/oz)	4,651.50	-2.75
Copper ($/MT)	12,359.50	-0.60
Aluminum($/MT)	3,469.50	-1.76
CPO (RM/tonne)	4,743.50	0.07

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 2 Apr for Dow Jones, S&P 500, Nasdaq, Stoxx Eur 600, FTSE 100, Hang Seng, Straits Times, WTI, Brent, Gold, Copper, Aluminium, CPO*

- The strong data likely reflects the resolution in February's strike-related disruption, while the return of temperate weather also supported hiring for construction, leisure and hospitality. While we note the high concentration of job gains in a handful industries and headwind from the Middle East war, the data suggests that the labour market remains firm thus far suggesting there is no rush for the Fed to cut rates, especially in anticipation of a surge in inflation in the immediate months. We therefore maintain our view for the Fed to keep rates unchanged in 2Q

Slowdown in services PMI in the wake of the war

- The final US services PMI was revised a whopping 1.3ppts lower to 49.8 in March (prior: 51.7), its first contraction since January 2023, while Japan services PMI was revised 0.6ppts higher to 53.4 in March (prior: 53.8). The broad slowdown coincides with the outbreak of the war in the Middle East, while uncertainty over the intensity and duration of the war also drove business confidence lower.
- The RatingDog China services PMI retreated from its 33-month high of 56.7 in February to 52.1 in March. The result was softer than expected and in line with the average since the start of 2024. Despite the slower growth, new orders index remained firm and cost pressure eased and as such, business remained optimistic.

Softer but still sturdy economic growth for Vietnam in 1Q

- Although better than expected, Vietnam's economic momentum slowed to 7.8% y/y in 1Q, a step down from 8.5% y/y in the previous quarter. Accordingly, the slowdown reflects some impact from the spikes in energy costs, supply disruption and consequently, rising inflation in March. With this, we maintain our view that it will be a challenge to officials' push for a 10% growth this year, especially as this suggests that the economy would have to grow by more than 10% in each of the succeeding three quarters.

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	1.14-1.17	1.14	1.15	1.17	1.19
GBP/USD	1.30-1.34	1.31	1.32	1.34	1.35
USD/CHF	0.77-0.82	0.79	0.78	0.76	0.75
USD/JPY	156-162	159	155	152	152
AUD/USD	0.67-0.71	0.68	0.69	0.70	0.71
NZD/USD	0.56-0.59	0.57	0.58	0.58	0.59
USD/CNY	6.86-6.91	6.93	6.88	6.84	6.77
USD/MYR	4.00-4.07	3.98	3.96	3.93	3.90
USD/SGD	1.27-1.30	1.29	1.28	1.27	1.25

USD/THB	32.00-33.50	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.6545	4.55	4.55	4.60	4.66
GBP/MYR	5.3337	5.23	5.23	5.26	5.28
AUD/MYR	2.7832	2.72	2.72	2.75	2.77
CNY/MYR	0.5856	0.58	0.58	0.58	0.58
SGD/MYR	3.1365	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
6-Apr	SI S&P Global Singapore PMI (Mar)	59.2
	SI Retail Sales YoY (Feb)	-0.40%
	US ISM Services Index (Mar)	56.1
6-14 Apr	SI Singapore MAS April 2026 Monetary Policy Statement	
7-Apr	AU S&P Global Australia PMI Services (Mar F)	46.6
	JN Household Spending YoY (Feb)	-1.00%
	AU Household Spending MoM (Feb)	0.30%
	JN Leading Index CI (Feb P)	112.1
	MA Foreign Reserves	$128.1b
	EC S&P Global Eurozone Services PMI (Mar F)	50.1
	EC Sentix Investor Confidence (Apr)	-3.1
	UK S&P Global UK Services PMI (Mar F)	51.2
	US Durable Goods Orders (Feb P)	0.00%
	US Consumer Credit (Feb)	$8.050b

Source: Bloomberg

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