

12 March 2026

Global Markets Research
Daily Market Highlights

12 Mar: Risk-off sentiment returns to haunt markets

Risk-off with the flare up in the Iran war; Trump's probe on trading partners

Renewed climb for oil prices; bond yields jumped; Dollar strengthened

Tame US inflation before the war; upside risk to above 3.0% in March

- Renewed climb in crude oil prices saw the Dow tumbling 0.6% d/d to its lowest close this year, while S&P 500 also shed 0.1% d/d. Again, Nasdaq closed in green for the third consecutive day, by 0.1% d/d with tech stocks pushing the index up and supporting the broader market.
- Both the WTI (\$87.25/barrel) and Brent (\$91.98/barrel) jumped more than 4.0% each on the day with jittery over supply disruptions flaring up after the US said that Iran has placed mines in the Straits of Hormuz, while UK reported that 3 cargo ships were struck by projectiles near the key waterway. International Energy Agency's decision to release 400mb/d of oil, the largest-ever release from its reserves, on top of the US (172mb/d) and Japan (80mb/d) failed to ease this supply disruption jitters, as the world consumption is estimated at around 100mb/d.
- Elsewhere, Stoxx Eur 600 slid 0.6% d/d, while major regional bourses closed mixed. Nikkei 225 and CSI 300 closed in green between 0.6-1.4% d/d, while Hang Seng retreated 0.2% d/d.
- Asian markets are poised to trade on a cautious note today given the elevated crude oil prices and after news that the Trump's administration will begin the probe into a dozen major partners under Section 301 of the Trade Act, focused on alleged excess manufacturing capacity and will likely to result in a fresh round of tariffs. The investigations, which typically take months to complete, will include countries like China, the EU, Mexico, India, Japan, South Korea, Taiwan, Switzerland, Norway, Indonesia, Singapore, Thailand, Malaysia, Cambodia, Vietnam and Bangladesh.
- Meanwhile, Treasuries were under pressure with the impact from the higher energy prices on inflation expected to be pronounced in coming weeks, making it harder for doves to back their case and FOMC to lower rates next week. Focus will be on the revised Fed dot plot to see if the Fed will entirely remove the 25bps cut it has been projecting for the year. The 2Y yield closed the day 6bps higher at 3.65%, while the 10Y

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	47,417.27	-0.61
S&P 500	6,775.80	-0.08
NASDAQ	22,716.13	0.08
Stoxx Eur 600	602.54	-0.59
FTSE 100	10,353.77	-0.56
Nikkei 225	55,025.37	1.43
CSI 300	4,704.50	0.64
Hang Seng	25,898.76	-0.24
Straits Times	4,863.81	0.00
KLCI 30	1,708.78	0.42
FX		
Dollar Index	99.23	0.41
EUR/USD	1.1567	-0.38
GBP/USD	1.3412	-0.04
USD/JPY	158.95	0.57
AUD/USD	0.7152	0.45
USD/CNH	6.8767	-0.03
USD/MYR	3.9185	-0.13
USD/SGD	1.2743	0.10
USD/KHR	4,013.70	0.01
USD/THB	31.74	0.39
Commodities		
WTI (\$/bbl)	87.25	4.55
Brent (\$/bbl)	91.98	4.76
Gold (\$/oz)	5,179.10	-1.20
Copper (\$/MT)	13,042.00	-0.75
Aluminum(\$/MT)	3,457.00	1.50
CPO (RM/tonne)	4,355.00	-1.20

Source: Bloomberg, HLBB Global Markets Research
* Closing as of 10 Mar for CPO

jumped 7bps to 4.23%. 10Y European bond yields surged 4-14bps amid more chatters of a rate hike.

- In the forex space, the Dollar traded firmer against most of its G10 peers and the DXY closed up 0.4% d/d to 99.23. JPY lagged, weakening 0.6% d/d to 158.95 and will face downward pressure today following the softer BSI Large All Industry index (4.4 in 4Q vs 4.9 in 3Q) released this morning that signalling a slightly softer outlook.
- EUR and GBP depreciated at a narrower pace of 0.1-0.4% d/d to 1.1567 and 1.3412, while AUD was the outlier, appreciating 0.5% d/d to 0.7152 with traders split on a RBA rate hike next week.
- Regional currencies closed mixed against the Dollar. SGD weakened 0.1% d/d to 1.2743, while CNH and MYR strengthened 0-0.1% d/d to 6.8767 and 3.9185, the latter after the Prime Minister Datuk Seri Anwar Ibrahim said that RON95 petrol under the Budi95 targeted fuel subsidy mechanism will remain at RM1.99/litre even though market prices are higher.

Tame US CPI before the Iran war

- February CPI was in line with expectations, with headline up 0.3% m/m and 2.4% y/y (Jan: 0.2% m/m and 2.4% y/y), while core grew by 0.2% m/m and 2.5% y/y (Jan: 0.3% m/m and 2.5% y/y). Shelter costs sustained a 0.2% m/m increase and was the largest contributory factor to inflation, accompanied by higher costs of medical care, apparel, household furnishings and operations, airline fares, and education. Food (0.4% m/m vs 0.2% m/m) and energy (0.6% m/m vs -1.5% m/m) picked up pace, the latter even before the Iran war.
- All in, price pressures were tame before the Iran war, but the higher energy costs could potentially see a return of 3% headline inflation in March and there is no change in our view that the FOMC will hold Fed funds rates unchanged at 3.50%-3.75%.
- On the housing front, the 30Y mortgage rates jumped 10bps to 6.19% for the week ended March 6, saw refinancings slowing sharply and total mortgage applications easing to 3.2% w/w from 11.0% w/w previously. Purchases grew for the second week at a faster pace of 7.8% w/w (prior: 6.1% w/w).

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	98-101	96.71	95.13	94.70	95.49
EUR/USD	1.14-1.18	1.20	1.22	1.22	1.21
GBP/USD	1.32-1.36	1.36	1.37	1.37	1.35
USD/CHF	0.76-0.80	0.78	0.78	0.78	0.78
USD/JPY	155-160	153	149	147	147
AUD/USD	0.68-0.72	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	3.91-3.99	4.00	3.97	3.97	4.00
USD/SGD	1.26-1.30	1.26	1.23	1.23	1.24
USD/THB	31.50-32.10	32.2	32,1	32.0	30.8

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.5446	4.78	4.82	4.85	4.84
GBP/MYR	5.2572	5.44	5.45	5.45	5.41
AUD/MYR	2.8005	2.72	2.75	2.78	2.76
CNY/MYR	0.5702	0.58	0.58	0.58	0.58
SGD/MYR	3.0777	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

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Date	Events	Prior
12-Mar	US Trade Balance (Jan)	-\$70.3b
	US Initial Jobless Claims	213k
	US Housing Starts MoM (Jan)	6.20%
	US Building Permits MoM (Jan P)	4.80%
13-Mar	UK Monthly GDP (MoM) (Jan)	0.10%
	EC Industrial Production SA MoM (Jan)	-1.40%
	US Personal Income (Jan)	0.30%
	US Personal Spending (Jan)	0.40%
	US Core PCE Price Index YoY (Jan)	3.00%
	US Durable Goods Orders (Jan P)	-1.40%
	US Cap Goods Orders Nondef Ex Air (Jan P)	0.80%
	US GDP Annualized QoQ (4Q S)	1.40%
	US U. of Mich. Sentiment (Mar P)	56.6
	US JOLTS Job Openings (Jan)	6542k

Source: Bloomberg

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