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Global Markets Research

Daily Market Highlights

13 Mar: Brent spiked above \$100/barrel again

Volatile oil prices intensified sell-off in stocks & bonds; USD strengthened

Markets fully priced out Fed rate cut this year amid inflationary concerns

Today's data watch: US core-PCE; GDPs from the US and the UK

- Oil prices spiked overnight, and Brent hit the \$100/barrel again with the reserve release plans by the IEA, US and Japan failing to ease Iran war-led supply worries. Continuous attacks on merchant ships and oil tankers, as well as defiant comments from Iran's Mojtaba Khamenei and President Trump offered little relief despite fresh US efforts to curb oil price, the latter as the Trump administration is considering waiving the century-old Jones Act for a limited time to ensure energy and agricultural shipments can move freely between US ports. Under the Jones Act, goods shipped between US ports must be carried on vessels that are US-built, US-flagged and mostly US-owned and US-staffed.
- Meanwhile, Iran has said that the Strait of Hormuz should remain closed and warned that oil prices could shoot up to \$200/ barrel, an uncharted territory that could have massive shocks to growth and inflation. Meanwhile, Trump has commented that stopping the Iranian regime from getting nuclear weapons is of greater importance for him. This somewhat signalled that both parties have no intention for a neat term de-escalation as yet. Brent closed the day at \$100.46/barrel (+9.2% d/d), while the WTI ended at \$95.73/barrel (+9.7% d/d).
- In the equity space, major bourses from the US (-1.5% to -1.8% d/d), Europe (Stoxx 600: -0.6% d/d) to Asia (Nikkei 225: -1.0% d/d, CSI 300: -0.4% d/d, Hang Seng: -0.7% d/d) tumbled as the Iran war continues to fuel oil volatility. US stocks were also dampened by news that redemption requests from private credit funds forced Morgan Stanley and Cliffwater to cap withdrawals, weighing on banking stocks.
- In the bond space, short-dated treasuries slid with traders ceased to price in any Fed rate cut this year. The 2Y yield jumped 9bps to 3.74%, while the 10Y rose 3bps 4.26%. Save for Swedish bonds, 10Y European bond yields rose 2-9bps amid more rumbles of rate hikes.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,677.85	-1.56
S&P 500	6,672.62	-1.52
NASDAQ	22,311.98	-1.78
Stoxx Eur 600	598.86	-0.61
FTSE 100	10,305.15	-0.47
Nikkei 225	54,452.96	-1.04
CSI 300	4,687.56	-0.36
Hang Seng	25,716.76	-0.70
Straits Times	4,855.33	0.00
KLCI 30	1,711.01	0.13
FX		
Dollar Index	99.74	0.51
EUR/USD	1.1512	-0.48
GBP/USD	1.3343	-0.51
USD/JPY	159.35	0.25
AUD/USD	0.7077	-1.05
USD/CNH	6.8813	0.07
USD/MYR	3.9260	0.19
USD/SGD	1.2791	0.38
USD/KHR	4,014.00	0.01
USD/THB	31.84	0.32
Commodities		
WTI (\$/bbl)	95.73	9.72
Brent (\$/bbl)	100.46	9.22
Gold (\$/oz)	5,125.80	-1.03
Copper (\$/MT)	12,999.50	-0.33
Aluminum(\$/MT)	3,516.50	1.72
CPO (RM/tonne)	4,336.50	-0.42

Source: Bloomberg, HLBB Global Markets Research
* Closing as of 11 Mar for CPO

- Haven bid saw the US Dollar strengthening against all its G10 peers and the DXY closing up 0.5% d/d at 99.74. SEK (-1.4% d/d), AUD (-1.1% d/d to 0.7077) and NZD (-1.0% d/d) underperformed their peers, while CAD (-0.4% d/d) and JPY (-0.3% d/d to 159.35) saw smaller losses.
- Similarly, most Asian FX depreciated against the greenback. CNH and SGD traded 0.1% d/d and 0.4% d/d weaker at 6.8813 and 1.2791 respectively, while MYR depreciated 0.2% d/d to 3.9260 despite the Economy Minister Akmal Nasrullah Mohd Nasir commenting that the Government is maintaining its 2026 GDP growth forecast of 4.0-4.5% for now. Markets were probably spooked by news that pump prices were raised by 60-80 sen/ liter for the week ahead although BUDI95 was maintained at RM1.99/ liter. We maintain our view that impact on CPI will be marginal unless pump prices stayed elevated at higher levels on a sustained basis.

Narrower trade deficit, low jobless claims and mixed housing data for the US

- Trade deficit narrowed sharper than expected to \$54.5bn in January from -\$72.9bn previously as exports rebounded to increase 5.5% m/m (prior: -1.6% m/m), while imports shrank 0.7% m/m (prior: 3.5% m/m). The rebound in exports was driven by demand for non-monetary gold & other precious metals, computers and aircraft, while imports were weighed down by pharmaceuticals. Amongst its largest economies, trade deficit with China (-\$12.7bn vs -\$31.7bn in Jan 2025), Canada (-\$3.8bn vs -\$11.0bn) and Mexico (-\$10.9bn vs -\$13.7bn) narrowed sharply from a year ago.
- Despite likely impact from wintry weather, housing starts was better than expected and improved at its fastest pace in a year by 7.2% m/m to 1.49m homes in January. Boosted by multi-family project, the decline in building permits (-5.4% m/m vs 4.8% m/m), softer builders' sentiment and worries over affordability and high construction costs could nonetheless cap construction activities in the months ahead.
- Initial jobless claims remained low and tucked in the 199k-232k range this year, unexpectedly falling 1k to 213k for the week ended March 7 (prior: +1k), while continuing claims also dropped 21k to 1850k for the week ended February 28 (prior: +49k).

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	1.32-136	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	4.5383	4.78	4.82	4.85	4.84
GBP/MYR	5.2583	5.44	5.45	5.45	5.41
AUD/MYR	2.8022	2.72	2.75	2.78	2.76
CNY/MYR	0.5717	0.58	0.58	0.58	0.58
SGD/MYR	3.0801	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
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
16-Mar	CH New Home Prices MoM (Feb)	-0.37%
	CH Used Home Prices MoM (Feb)	-0.54%
	CH Retail Sales YTD YoY (Feb)	3.70%
	CH Industrial Production YTD YoY (Feb)	5.90%
	CH Fixed Assets Ex Rural YTD YoY (Feb)	-3.80%
	CH Surveyed Jobless Rate (Feb)	5.10%
	CH Property Investment YTD YoY (Feb)	-17.20%
	US Empire Manufacturing (Mar)	7.1
	US Industrial Production MoM (Feb)	0.70%
	US NAHB Housing Market Index (Mar)	36

Source: Bloomberg

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