18 March 2026

Global Markets Research

Daily Market Highlights

18 Mar: All eyes on the FOMC and Fed dot plot today

USTs closed mixed; DXY lower ahead of FOMC meet where a pause is expected

AUD outperformed most G10 peers after the RBA raised rates as expected

Surprised gain in US pending home sales; softer Singapore's NODX on base effect

- US stocks posted modest gains overnight, rising even when oil prices resumed its ascent with more energy infrastructure under attack in the Middle East. The 3 major US stock indices closed up 0.1-0.5% d/d, with energy the best performing sector, while airline shares also jumped with Delta and American Airlines both raising their revenue outlook to account for the strong bookings in 1Q. Both the WTI and Brent surged around 3.0% d/d each to close the day at $96.21/barrel and $103.42/barrel respectively.
- Treasuries, meanwhile, closed mixed ahead of FOMC's decision, where a status quo is expected. The benchmark 2Y yield closed just above its flatline at 3.67%, while the 10Y fell 2bps to 4.20%.
- Similarly, energy stocks led gain in Europe and Stoxx 600 closed the session 0.7% d/d higher. 10Y European bond yields closed lower for the second day, in tune to 1-8bps. Asian markets closed mixed and is poised for mild gains today following the futures and Wall Street overnight.
- In the forex space, the DXY fell for the second day (-0.1% d/d to 99.58) ahead of FOMC's decision with the Dollar weakening against all its G10 peers save for the CAD and NZD. NOK (1.0% d/d), SEK (0.7% d/d) and AUD (0.5% d/d to 0.7105) led gains within the G10 space. AUD benefitted from the RBA rate hike but could see some loss of momentum today after its leading index turned contractionary at -0.1% m/m in February.
- JPY closed just above its flatline at 159.0 and is expected to be well supported by the stronger than expected exports data this morning. As it is, exports decelerated less than expected to 4.2% y/y in February as compared to a robust 16.8% y/y the prior month.
- Similarly, most Asian FX strengthened against the greenback. CNH and SGD appreciated 0.1% d/d each to 6.8830 and 1.2763, while MYR strengthened 0.3% d/d to 3.9183.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,993.26	0.10
S&P 500	6,716.09	0.25
NASDAQ	22,479.53	0.47
Stoxx Eur 600	602.45	0.67
FTSE 100	10,403.60	0.83
Nikkei 225	53,700.39	-0.09
CSI 300	4,637.44	-0.73
Hang Seng	25,868.54	0.13
Straits Times	4,935.97	0.00
KLCI 30	1,710.99	0.85
FX		
Dollar Index	99.58	-0.14
EUR/USD	1.1540	0.30
GBP/USD	1.3356	0.27
USD/JPY	159.00	-0.04
AUD/USD	0.7105	0.47
USD/CNH	6.8830	-0.09
USD/MYR	3.9183	-0.26
USD/SGD	1.2763	-0.12
USD/KHR	4,013.15	-0.02
USD/THB	32.36	-0.47
Commodities		
WTI ($/bbl)	96.21	2.90
Brent ($/bbl)	103.42	3.20
Gold ($/oz)	5,008.20	0.12
Copper ($/MT)	12,775.00	-0.63
Aluminum($/MT)	3,399.50	0.12
CPO (RM/tonne)	4,533.50	0.72

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 16 Mar for CPO*

RBA raised the cash rate by 25bps to 4.10%

- In a 5-4 majority vote, the board of the Reserve Bank of Australia (RBA) decided to increase the cash rate target by 25bps to 4.10%. Four members voted to leave the cash rate target unchanged at 3.85%. This marks its first back-to-back hike since 2023 and was premised upon the Board's judgement that the labour market has tightened a little recently and capacity pressures are slightly greater than previously assessed. Given these and that the current trimmed mean is above RBA's latest forecast, we opine that the central bank will deliver another rate hike in the second quarter of this year.
- As mentioned, data this morning showed that the leading index turned contractionary at -0.1% m/m in February. The six-month annualised growth rate, nonetheless, remained unchanged at +0.08% with softer financial components offset by higher commodity prices and hours worked, and one that signals slightly above trend growth for the economy.

Unexpected gains for US pending home sales

- Pending home sales unexpectedly rose for the first time in 3 months as buyers took advantage of the lower mortgage rates and slower price appreciation in February. While a welcome news ahead of the spring selling season, the 1.8% m/m gain (prior: -1.0% m/m) could nonetheless reverse the next month with mortgage rates higher, dampening affordability.
- The New York Fed Services Business Activity index (-22.6 vs -25.7) continued to decline sharply in March, suggesting that the business climate remained much worse than normal while firms were also less optimistic about the outlook.

Collapse in the Eurozone's investors sentiment following the Iran war

- After strong gains in the beginning of the year, the ZEW Expectations index fell sharply to -8.5 in March from 39.4 previously with the escalation in the Middle East sending energy prices up and increasing inflationary pressure. This heightened risk fanned investors' concerns that the recovery for the German economy as well as for the whole of Europe could likely slow. While the impact is intensity and duration dependent, investors were also sceptical that a quick resolution of the conflict will take place.

Japan's export growth decelerated sharply but above forecasts

- Albeit better than expected, Japan's export growth eased to 4.2% y/y in February from 16.8% y/y the prior month as exports to both the US and China fell during the month, the former due to lower shipments of cars and the latter, due to the timing of the Lunar New Year holidays.

Singapore's export growth decelerated in February due to base effect

- Export growth decelerated more than expected to 4.0% y/y in February (prior: 9.2% y/y) as non-electronic shipments (-6.9% y/ vs -3.1% y/y) declined while electronics (43.2% y/y vs 56.1% y/y) remained robust on ICs and disk media products. In terms of markets, exports to South Korea, Taiwan and Hong Kong rose, while exports to the US, Indonesia, India and China contracted.
- The softer growth largely reflects base effect due to the timing of the Lunar New Year and smoothening this, NODX grew a steady 6.7% YTD. Trade probes by the US and the Iran war nonetheless pose uncertainty, potentially disrupting supply chain and exports in the next few months.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	98-102	96.71	95.13	94.70	95.49
EUR/USD	1.15-1.17	1.20	1.22	1.22	1.21
GBP/USD	1.31-135	1.36	1.37	1.37	1.35
USD/CHF	0.76-0.80	0.78	0.78	0.78	0.78
USD/JPY	156-162	153	149	147	147
AUD/USD	0.69-0.72	0.68	0.69	0.70	0.69
NZD/USD	0.57-0.61	0.58	0.59	0.59	0.58
USD/CNY	6.87-6.93	6.90	6.83	6.85	6.90
USD/MYR	3.89-3.97	4.00	3.97	3.97	4.00
USD/SGD	1.26-1.29	1.26	1.23	1.23	1.24
USD/THB	31.50-32.50	32.2	32,1	32.0	30.8

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.5119	4.78	4.82	4.85	4.84
GBP/MYR	5.2254	5.44	5.45	5.45	5.41
AUD/MYR	2.7779	2.72	2.75	2.78	2.76
CNY/MYR	0.5688	0.58	0.58	0.58	0.58
SGD/MYR	3.0662	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	4.10	4.10	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
18-Mar	EC CPI Core YoY (Feb F)	2.40%
	US MBA Mortgage Applications	3.20%
	US PPI Final Demand YoY (Feb)	2.90%
	US Factory Orders (Jan)	-0.70%
	US FOMC Rate Decision (Upper Bound)	3.75%
19-Mar	JN Core Machine Orders MoM (Jan)	19.10%
	AU Unemployment Rate (Feb)	4.10%
	MA CPI YoY (Feb)	1.60%
	MA Exports YoY (Feb)	19.60%
	JN Industrial Production MoM (Jan F)	2.20%
	UK ILO Unemployment Rate 3Mths (Jan)	5.20%
	UK Payrolled Employees Monthly Change (Feb)	-11k
	EC Construction Output MoM (Jan)	0.90%
	EC Labour Costs YoY (4Q)	3.30%
	UK Bank of England Bank Rate	3.75%
	US Initial Jobless Claims	213k
	US Philadelphia Fed Business Outlook (Mar)	16.3
	EC ECB Main Refinancing Rate	2.15%
	US New Home Sales MoM (Jan)	-1.70%
	JN BOJ Target Rate	0.75%

Source: Bloomberg

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