

22 April 2026

## Global Markets Research

### Daily Market Highlights

## 22 Apr: War headlines & Warsh's testimony swung markets

### US stocks & oil whipsawed amid conflicting developments in the Middle East

### Warsh reiterated the Fed's independence; uncertainties on the nomination remains

### Mixed data: positive US retail sales & Japan exports; weak job data in the UK

- In a day of fits and starts, the three major stock benchmarks in the US opened higher, turned lower, recovered a bit before falling again to finish near session lows, down 0.6% d/d amid conflicting developments on the US-Iran conflict and as Fed Chair nominee Kevin Warsh testified before the Senate Banking Committee,
- In short, President Trump extended the ceasefire in Iran, even as Vice President JD Vance's peace negotiation with Iran was put on hold.
- Meanwhile, key highlights from Warsh's testimony, include: 1) Warsh pledging his commitment to Fed's independence. 2) President did not demand a rate cut from Warsh. That said, Warsh also did not volunteer what this meant for interest rates going forward. 3) Warsh promised reforms at the Fed. This includes trimming its balance sheet, more cooperation with the Treasury, opines that the Fed should focus on underlying inflation, and that he is open to changes in the number of FOMC meeting as well as how the Fed communicates to the public.
- Elsewhere, Stoxx Eur 600 traded 0.9% d/d lower ahead of the US-Iran ceasefire, while Asian markets traded mixed. Nikkei 225, CSI 300 and Hang Seng nonetheless traded on a positive note between 0.2-0.9% d/d.
- Similar to Wall Street, oil prices also whipsawed before closing up more than 2.0% d/d each to \$92.13/barrel for the WTI and \$98.48/barrel for Brent.
- Treasury yields closed 2-6bps higher led by the policy sensitive 2Y given the geopolitical development and stronger than expected retail sales for the US. The 2Y yield closed the day at 3.78% (+6bps) and the 10Y at 4.29% (+2bps). Elsewhere, 10Y European bond yields rose 1-5bps overnight.
- On the FX front, the Dollar held onto gains amid reports of the stalled peace talk and stronger than expected retail sales for the US. Save NZD (-0.1% d/d), all G10 currencies weakened against the greenback and the DXY closed 0.3% d/d higher at

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	49,149.38	-0.59
S&P 500	7,064.01	-0.63
NASDAQ	24,259.96	-0.59
Stoxx Eur 600	616.03	-0.87
FTSE 100	10,498.09	-1.05
Nikkei 225	59,349.17	0.89
CSI 300	4,768.00	0.22
Hang Seng	26,487.48	0.48
Straits Times	5,014.96	0.22
KLCI 30	1,715.33	0.77
<b>FX</b>		
Dollar Index	98.39	0.30
EUR/USD	1.1744	-0.37
GBP/USD	1.3508	-0.20
USD/JPY	159.37	0.35
AUD/USD	0.7152	-0.36
USD/CNH	6.8286	0.19
USD/MYR	3.9505	-0.09
USD/SGD	1.2743	0.35
USD/KHR	4,003.50	0.00
USD/THB	32.10	0.04
<b>Commodities</b>		
WTI (\$/bbl)	92.13	2.81
Brent (\$/bbl)	98.48	3.14
Gold (\$/oz)	4,698.40	-2.25
Copper (\$/MT)	13,230.50	-0.34
Aluminum(\$/MT)	3,557.00	-0.01
CPO (RM/tonne)	4,448.50	0.16

Source: Bloomberg, HLBB Global Markets Research

\* Closing as of 18 Apr for CPO

98.29. EUR (-0.4% d/d to 1.1744) and GBP (-0.2% d/d to 1.3508) were weighed down by the tumble in Eurozone's investor confidence data for the former and political rumble for the latter. AUD and JPY depreciated 0.4% d/d each to 0.7152 and 159.37 respectively. The JPY is expected to trade sideways given the mixed March trade data for Japan this morning, namely better than expected exports growth (11.7% y/y vs 4.0% y/y) but narrower than expected trade balance (+¥90.7bn vs -¥367.8).

- Regional currencies traded mixed against the USD, with MYR strengthening 0.1% d/d to 3.9505 while CNH and SGD weakened 0.2-0.4% d/d to 6.8286 and 1.2743 respectively.

### **Stronger than expected retail sales and pending home sales for the US**

- Higher gasoline prices due to the Middle East war drove retail spending (1.7% m/m vs -0.7% m/m) up more than expected in March, but even with this stretched budget, retail sales ex auto & gas also fared better than forecast, holding steady at 0.6% m/m. Growth was broad-based, signalling consumers' resiliency supported by tax refunds for households in recent weeks, but outlook is less sanguine going forward, with the winding down of the tax season, elevated fuel costs and subdued hiring.
- Pending home sales was also better than expected, growing by 1.5% m/m in March after increasing 2.5% m/m previously. This is despite higher mortgage rates, pointing to pent-up housing demand while a greater supply of inventory and lower home price appreciation helped translate that demand into more home sales.

### **Eurozone's economic expectations continued to deteriorate**

- The economic expectations index fell deeper into the negative zone at -20.4 in April after March's -8.5. As it is, the economic consequences of the Iran war have gone far beyond price increases. Businesses are concerned about long-term shortages of energy supply, discouraging investment and weakening the positive effect from the government stimuli.

### **Softer labour market for the UK**

- UK businesses stepped up job cutting in March, a sign that the Iran war is causing more drags to the labour market. At -11k, this was worse than expected and after a sharply downwardly revised -6k the prior month. The unemployment rate, which posted a surprised drop from 5.2% to 4.9% in February, appears to be driven by a lower participation rate rather than a sign of strengthening labour market in our

opinion, and is likely to rise again as the energy shock takes its toll on Britain's energy-import dependent economy. With average weekly earnings also easing (3.8% y/y vs 4.1% y/y), we opine that a wage push inflation is unlikely to materialise and the BOE will unlikely respond to the energy-push inflation this year, in line with our house view for a pause in 2026.

### House View and Forecasts

<b>FX</b>	<b>This Week</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>	<b>1Q-27</b>
DXY	97-100	100.63	99.80	97.96	96.48
EUR/USD	1.16-1.19	1.14	1.15	1.17	1.19
GBP/USD	1.33-1.37	1.31	1.32	1.34	1.35
USD/CHF	0.76-0.80	0.79	0.78	0.76	0.75
USD/JPY	156-161	159	155	152	152
AUD/USD	0.70-0.73	0.68	0.69	0.70	0.71
NZD/USD	0.56-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.79-6.85	6.93	6.88	6.84	6.77
USD/MYR	3.92-4.00	3.98	3.96	3.93	3.90
USD/SGD	1.26-1.29	1.29	1.28	1.27	1.25
USD/THB	31.50-32.50	31.60	31.80	31.80	31.40

  

<b>FX</b>	<b>Last close</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>	<b>1Q-27</b>
EUR/MYR	4.6462	4.55	4.55	4.60	4.66
GBP/MYR	5.3341	5.23	5.23	5.26	5.28
AUD/MYR	2.8252	2.72	2.72	2.75	2.77
CNY/MYR	0.5796	0.58	0.58	0.58	0.58
SGD/MYR	3.1060	3.09	3.10	3.11	3.12

  

<b>Rates, %</b>	<b>Current</b>	<b>2Q26</b>	<b>3Q26</b>	<b>4Q26</b>	<b>1Q27</b>
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

<b>Date</b>	<b>Events</b>	<b>Prior</b>
22-Apr	AU Westpac Leading Index MoM (Mar)	-0.09%
	UK CPI Core YoY (Mar)	3.20%
	UK PPI Input NSA YoY (Mar)	0.50%
	MA Foreign Reserves	\$126.6b
	UK House Price Index YoY (Feb)	1.30%
	US MBA Mortgage Applications	1.80%
	EC Consumer Confidence (Apr P)	-16.3
23-Apr	AU S&P Global Australia PMI Mfg (Apr P)	49.8
	AU S&P Global Australia PMI Services (Apr P)	46.3
	JN S&P Global Japan PMI Mfg (Apr P)	51.6
	JN S&P Global Japan PMI Services (Apr P)	53.4
	SI CPI Core YoY (Mar)	1.40%

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EC S&P Global Eurozone Manufacturing PMI (Apr P)	51.6
EC S&P Global Eurozone Services PMI (Apr P)	50.2
HK CPI Composite YoY (Mar)	1.70%
UK S&P Global UK Services PMI (Apr P)	50.5
UK S&P Global UK Manufacturing PMI (Apr P)	51
US Chicago Fed Nat Activity Index (Mar)	-0.11
US Initial Jobless Claims	207k
US S&P Global US Manufacturing PMI (Apr P)	52.3
US S&P Global US Services PMI (Apr P)	49.8

Source: Bloomberg

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