

25 March 2026

## Global Markets Research

### Daily Market Highlights

## 25 Mar: Brent above \$100/barrel again

**US stocks fell amid renewed increase in oil prices; higher UST yields & DXY**  
**March's PMIs took a hit from the tension; more pronounced for services**  
**Expect steady CPI prints from the UK & Australia today**

- Tuesday marked another volatile session for markets, with swings largely driven by the developments in the Middle East. In the crude oil space, investors were largely left searching for direction with President Tump claiming that the peace talks were progressing and yet, the Pentagon reportedly deployed a combat bridge to the Middle East. At the end, fading optimism of a de-escalation saw the Brent and WTI climbing more than 4.0% d/d each to \$104.49/barrel and \$92.35/barrel.
- Crude oil prices movements continued to govern sentiment in Wall Street, pushing the 3 major US stock indices down 0.2-0.8% d/d, giving back some of the sharp gains seen in the previous session. Gains were nonetheless mixed across the sectors, with energy and materials outperforming, while tech and real estate underperformed.
- Inflation woes also saw traders selling off treasuries, and yields closed the day 1-4bps higher across the curve. The 2Y yield rose 4bps to 3.89%, while the 10Y gained 2bps to 4.36%.
- In the forex space, the Dollar strengthened against most of its G10 peers and the DXY closed 0.5% d/d higher at 99.43. CAD (-0.3% d/d) and NZD (-0.4% d/d) underperformed, the latter with the central bank governor signalling that the RBNZ won't rush to raise rates on the Iran war. EUR, GBP, JPY and AUD depreciated 0-0.2% d/d to 1.1608, 1.3411, 158.70 and 0.6996.
- Regional currencies closed mixed against the greenback, with the CNH, MYR and SGD closed 0.1-0.5% d/d weaker at 6.8938, 3.9560 and 1.2782.

#### PMIs for the majors took a hit from the Middle East war

- Although still expansionary, March saw the adverse impact of the Middle East war on customer demand, supply chains, input prices and business sentiment trickling in, and especially pronounced for the services sector.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	46,124.06	-0.18
S&P 500	6,556.37	-0.37
NASDAQ	21,761.89	-0.84
Stoxx Eur 600	579.28	0.43
FTSE 100	9,965.16	0.72
Nikkei 225	52,252.28	1.43
CSI 300	4,474.72	1.28
Hang Seng	25,063.71	2.79
Straits Times	4,862.43	0.00
KLCI 30	1,708.76	-0.69
<b>FX</b>		
Dollar Index	99.43	0.49
EUR/USD	1.1608	-0.04
GBP/USD	1.3411	-0.15
USD/JPY	158.70	0.16
AUD/USD	0.6996	-0.21
USD/CNH	6.8938	0.14
USD/MYR	3.9560	0.50
USD/SGD	1.2782	0.27
USD/KHR	4,010.50	-0.02
USD/THB	32.56	-1.35
<b>Commodities</b>		
WTI (\$/bbl)	92.35	4.79
Brent (\$/bbl)	104.49	4.55
Gold (\$/oz)	4,402.00	-0.12
Copper (\$/MT)	12,100.50	-0.55
Aluminum(\$/MT)	3,260.50	1.92
CPO (RM/tonne)	4,510.00	0.83

Source: Bloomberg, HLBB Global Markets Research  
 \* Closing as of 19 Mar for CPO

- In the US, the composite PMI unexpectedly weakened to 51.4 in March from 51.9 previously. Although above the 50 neutral level, the March reading marks its lowest since April 2025 and slowing growth for a second successive month. The slowdown was led by the unexpected softening in services (51.1 vs 51.7), while manufacturing unexpectedly accelerated to 52.4 (prior: 51.6). Similar divergence was also observed for output expectations, manufacturing buoyed in part by fewer tariff-related worries.
- The Eurozone composite PMI fell more than expected to 50.5 from 51.9, its lowest in 10 months and largely due to a near stagnation in services (worse than expected at 50.1 vs 51.9), while manufacturing unexpectedly turned expansionary at 51.4 (prior: 50.8). Notably, input cost sub-indicators accelerated sharply to its fastest pace in just over 3 years following the outbreak of war, ringing stagflation alarm for the Euro bloc.
- The UK composite PMI fell more than expected to 51.0 from 53.7 as activities slowed for both manufacturing (better than expected at 51.4 vs 51.7) and services (worse than expected at 51.2 vs 53.9). Business activity expectations for the year ahead eased considerably to its lowest since June 2025.
- Japan headline PMI retreated from its 33-month high to 52.5 (prior: 53.9) as the outbreak of the war saw activities slowing for both manufacturing (51.4 vs 53.0) and services (52.8 vs 53.8). Firms were equally less confident around future output, notably for services. Sentiment for manufacturers were supported by expectations that AI, defence and semiconductors will continue to drive growth in the months ahead.

### Mixed Fed regional indices

- Regional Fed indices were still mixed in March. Non-manufacturing (2 vs -10) and manufacturing (0 vs -10) activities in the Richmond region were better than expected, but in contrast, the Philadelphia Fed Non-Manufacturing Activity unexpectedly worsened to -23.9 from -17.3 previously. The latter suggests an overall decline in non manufacturing activity as new orders and employment were negative, while price-related indicators signalled softer increases in prices. Expectations for growth over the next six months were also less widespread.

### House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	96-102	96.71	95.13	94.70	95.49
EUR/USD	1.13-1.18	1.20	1.22	1.22	1.21
GBP/USD	1.31-1.36	1.36	1.37	1.37	1.35

USD/CHF	0.77-0.82	0.78	0.78	0.78	0.78
USD/JPY	156-162	153	149	147	147
AUD/USD	0.68-0.73	0.68	0.69	0.70	0.69
NZD/USD	0.57-0.61	0.58	0.59	0.59	0.58
USD/CNY	6.86-6.92	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	32.00-34.00	32.2	32,1	32.0	30.8

<b>FX</b>	<b>Last close</b>	<b>1Q-26</b>	<b>2Q-26</b>	<b>3Q-26</b>	<b>4Q-26</b>
EUR/MYR	4.5869	4.78	4.82	4.85	4.84
GBP/MYR	5.3024	5.44	5.45	5.45	5.41
AUD/MYR	2.7587	2.72	2.75	2.78	2.76
CNY/MYR	0.5741	0.58	0.58	0.58	0.58
SGD/MYR	3.0932	3.17	3.21	3.23	3.22

<b>Rates, %</b>	<b>Current</b>	<b>1Q26</b>	<b>2Q26</b>	<b>3Q26</b>	<b>4Q26</b>
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	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	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

<b>Date</b>	<b>Events</b>	<b>Prior</b>
25-Mar	AU CPI Trimmed Mean YoY (Feb)	3.40%
	UK CPI Core YoY (Feb)	3.10%
	UK PPI Input NSA YoY (Feb)	-0.20%
	UK House Price Index YoY (Jan)	2.40%
	US MBA Mortgage Applications	-10.9%
26-Mar	US Import Price Index MoM (Feb)	0.20%
	SI Industrial Production SA MoM (Feb)	5.30%
	HK Exports YoY (Feb)	33.80%
	US Initial Jobless Claims	205k
	US Kansas City Fed Manf. Activity (Mar)	5

Source: Bloomberg

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