

26 March 2026

**Global Markets Research**
**Daily Market Highlights**

## 26 Mar: Elevated price prints even before the Iran war

Hopes of a ceasefire sent stocks up; crude oil prices and UST yields down

Dollar gained on lingering geopolitical uncertainty and jump in import prices

UK and Australia's CPI above target; shall keep BOE and RBA hawkish

- Geopolitics remained in the driver's seat with hopes of a ceasefire between the US and Iran pushing the three major US stock indices up 0.5-0.8% d/d, while oil prices came under pressure as a result. Prices for the WTI and Brent were down more than 2.0% d/d each to close Wednesday at \$90.32/barrel and \$102.22/barrel after the White House confirmed that the US is negotiating to end the war in Iran, while the latter has reportedly laid out its own conditions for a ceasefire. Gains were fairly broad-based led by materials, consumer discretionary and healthcare stocks.
- Similarly, Stoxx Eur 600 closed the session 1.4% higher with all major regional bourses in the green. Nikkei 225 led gains in Asia at 2.9% d/d, while Hang Seng and CSI 300 added 1.1% and 1.4% d/d respectively.
- Treasury yields also tumbled with the oil prices. The benchmark 2Y closed the day 1bps lower at 3.89% while the 10Y slid 3bps to 4.33%. 10Y European bond yields fell between 4-12bps.
- Lingering scepticism over a de-escalation, and the jump in US import prices saw the Dollar strengthening against its G10 peers. The DXY closed up 0.2% d/d at 99.60. AUD (-0.7% d/d to 0.6947) lagged with its CPI print undershooting forecast, while GBP (-0.3% d/d to 1.3365) outperformed most peers benefitting from the upward surprise in its price-related data prints.
- IDR (+0.4% d/d) and TWD (+0.3% d/d) outperformed its Asian peers on the regional front, while CNH, MYR and SGD weakened between 0.1-0.3% d/d against the greenback to close at 6.9028, 3.9637 and 1.2815 respectively.

### Surprised jump in US import prices before the war

- Import prices unexpectedly accelerated and jumped by the most in nearly four years amid a broad pick-up in prices even before the war in the Middle East. The 1.3% m/m jump followed an increase of 0.6% m/m in January as import prices

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	46,429.49	0.66
S&P 500	6,591.90	0.54
NASDAQ	21,929.83	0.77
Stoxx Eur 600	587.49	1.42
FTSE 100	10,106.84	1.42
Nikkei 225	53,749.62	2.87
CSI 300	4,537.47	1.40
Hang Seng	25,335.95	1.09
Straits Times	4,904.54	0.00
KLCI 30	1,716.68	0.46
<b>FX</b>		
Dollar Index	99.60	0.17
EUR/USD	1.1559	-0.42
GBP/USD	1.3365	-0.34
USD/JPY	159.47	0.49
AUD/USD	0.6947	-0.70
USD/CNH	6.9028	0.13
USD/MYR	3.9637	0.19
USD/SGD	1.2815	0.26
USD/KHR	4,010.75	0.01
USD/THB	32.65	0.29
<b>Commodities</b>		
WTI (\$/bbl)	90.32	-2.20
Brent (\$/bbl)	102.22	-2.17
Gold (\$/oz)	4,552.30	3.41
Copper (\$/MT)	12,321.50	1.83
Aluminum(\$/MT)	3,242.50	-0.55
CPO (RM/tonne)	4,502.00	-0.39

Source: Bloomberg, HLBB Global Markets Research  
\* Closing as of 24 Mar for CPO

for petroleum increased 2.5% m/m (prior: -2.7% m/m), while nonfuel rose 1.1% m/m (prior: 0.8% m/m) driven by prices for capital goods, nonfuel industrial supplies & materials, consumer goods, foods, feeds & beverages as well as automotive vehicles, parts & engines.

- Mortgage applications fell for the second week (-10.5% w/w for the week ended Mar 20 vs -10.9% w/w for week Mar 13) as the 30Y mortgage rate jumped another 13bps to 6.43%, a headwind for the housing market heading into the spring selling season. Already, builders had been resorting to incentives and cutting prices to drum up demand.

### **Steady UK CPI before the war; should remain around the 3.0-3.5% level for the next two quarters**

- The upward surprise to UK's core-CPI and PPI will likely keep rate hike chatters alive, but as we have highlighted before, with underlying economic growth momentum largely soft (GDP expected at 0.1-0.2% in 1Q) and labour demand still weak (unemployment rate at 5.2% in the 3-months ended Jan), our base case is for a pause by the BOE for the whole of 2026.
- PPI (input) rebounded more than expected to 0.5% y/y in February (prior: -0.4% y/y) largely due to metals and non-metallic mineral products, while core-inflation unexpectedly accelerated to 3.2% y/y from 3.1% y/y previously underpinned by seasonal demand for clothing and footwear. Headline was steady at 3.0% y/y amid softer motor fuel prices, and is likely to turn around in March following the war, keeping inflation elevated at the 3.0-3.5% level over the next couple of quarters.

### **Softer than expected Australia's inflation unlikely to derail RBA's tightening path**

- Australia's inflation print came in on a softer note, with the headline unexpectedly weakening to 3.7% y/y in February (prior: 3.8% y/y) while trimmed mean held steady at 3.3% y/y. The largest contributor to inflation was housing at 7.2% y/y, followed by a 3.1% y/y increase in food & non-alcoholic beverages and a 4.1% y/y increase for recreation & culture. Transport cost fell 0.2% y/y due to automotive fuel prior to the Middle East conflict, and is expected to see a spike the following month following the surge in energy prices. With this, and inflation staying elevated above RBA's target and private demand coming in stronger than expected, we maintain our view that the central bank will deliver another rate hike in the next quarter of this year.

### 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

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.5990	4.78	4.82	4.85	4.84
GBP/MYR	5.3105	5.44	5.45	5.45	5.41
AUD/MYR	2.7625	2.72	2.75	2.78	2.76
CNY/MYR	0.5747	0.58	0.58	0.58	0.58
SGD/MYR	3.0984	3.17	3.21	3.23	3.22

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
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

Date	Events	Prior
26-Mar	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
27-Mar	UK GfK Consumer Confidence (Mar)	-19
	CH Industrial Profits YTD YoY (Feb)	0.60%
	UK Retail Sales Inc Auto Fuel MoM (Feb)	1.80%
	US U. of Mich. Sentiment (Mar F)	55.5
	US Kansas City Fed Services Activity (Mar)	6

Source: Bloomberg

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