

27 March 2026

## Global Markets Research

### Daily Market Highlights

## 27 Mar: Doubts of a ceasefire cast shadow on sentiment

**Crude oil prices and UST yields jumped; USD strengthened while equities fell**  
**OECD revised G20 CPI forecast up 1.2ppts for 2026; maintained global growth**  
**Malaysia lowers BUDI95 subsidy quota & caps diesel purchases in East Malaysia**

- Global equities fell sharply and crude oil prices crept higher again overnight with efforts to end the war in Iran showing little signs of meaningful progress.
- In the equity space, the 3 major stock benchmark in the US tumbled between 1.0-2.4% d/d with losses logged in most sectors. In Europe, Stoxx 600 lost 1.1% d/d, while in Asia, Hang Seng led losses in the region at 1.9% d/d as crude prices jumped more than 4% d/d each (to \$108.01/barrel for Brent and \$94.48/barrel for the WTI), putting pressure on sentiment and equities.
- Global bond yields resumed their climb higher with traders continuing to fret that inflation and policy rates will stay high. Led by the shorter tenures, treasury yields jumped 3-11bps across the curve and the benchmark 2Y and 10Y yields closed the day at 3.99% (+10bps) and 4.41% (+8bps). Led by Italian sovereign bonds. 10Y European bond yields surged 8-19bps.
- In the forex space, doubts over a ceasefire saw all G10 and most regional currencies weakening against the Dollar and the DXY closing up 0.3% d/d to 99.90. AUD (-0.9% d/d to 0.6886), SEK (-0.9% d/d) and NZD (-0.8% d/d) underperformed within the G10 space, while EUR (1.1527), GBP (1.3330) and JPY (159.81) depreciated at a narrower pace of 0.2-0.3% d/d against USD.
- Within regionals, MYR (-0.8% d/d to 3.9935) led decliners for the day, while SGD and CNH were 0.3% d/d weaker each at 1.2853 and 6.9203 as at Thursday's close.

### OECD maintained global GDP growth at 2.9% for 2026, revised G20 inflation up a whopping 1.2ppts

- Highlights to the latest OECD's Economic Outlook include: 1) Global GDP growth is projected to ease from 3.3% in 2025 to 2.9% in 2026 (no change) before edging up to 3.0% in 2027 (-0.1ppts). Growth will see the repercussions from the energy price surge offsetting the tailwinds from strong technology-related investment/production and lower effective tariff rates. 2) G20 inflation is projected to be 1.2ppts higher than

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	45,960.11	-1.01
S&P 500	6,477.16	-1.74
NASDAQ	21,408.08	-2.38
Stoxx Eur 600	580.84	-1.13
FTSE 100	9,972.17	-1.33
Nikkei 225	53,603.65	-0.27
CSI 300	4,477.53	-1.32
Hang Seng	24,856.43	-1.89
Straits Times	4,887.76	0.00
KLCI 30	1,710.89	-0.34
<b>FX</b>		
Dollar Index	99.90	0.30
EUR/USD	1.1527	-0.28
GBP/USD	1.3330	-0.26
USD/JPY	159.81	0.21
AUD/USD	0.6886	-0.88
USD/CNH	6.9203	0.25
USD/MYR	3.9935	0.75
USD/SGD	1.2853	0.30
USD/KHR	4,011.50	0.02
USD/THB	32.82	0.53
<b>Commodities</b>		
WTI (\$/bbl)	94.48	4.61
Brent (\$/bbl)	108.01	5.66
Gold (\$/oz)	4,376.30	-3.87
Copper (\$/MT)	12,147.00	-1.42
Aluminum(\$/MT)	3,269.50	0.83
CPO (RM/tonne)	4,466.50	-0.79

Source: Bloomberg, HLBB Global Markets Research  
 \* Closing as of 25 Mar for CPO

previously expected in 2026 at 4.0% (2025: 3.4%), before easing to 2.7% in 2027 (+0.2ppts) on the assumption of fading of energy price pressures. Core inflation in the G20 advanced economies is anticipated to soften from 2.6% in 2025 and 2026 to 2.3% in 2027. Projections for core were lifted 0.1ppts higher for 2026 and 2027. 3) OECD highlighted a range of risks including impact from the longer-lasting closure of oil and gas production facilities in the Middle East and persistent disruptions to exports through the Strait of Hormuz on inflation expectations and future growth. OECD also added that higher energy and fertiliser prices could spur increases in food prices.

### **US continuing claims fell to its 2-month low**

- Matching expectations and still low, initial jobless claims rose 5k to 210k for the week ended March 21 (prior: -8k), while continuing claims fell to its 2-month low at 1819k for the week ended March 14. This marks a sharp drop of 32k versus +4k previously, suggesting limited layoffs for now and a stable labour market.
- The Kansas City Fed Manufacturing Activity index unexpectedly improved to 11 in March from 5 previously as manufacturing activities continued to increase moderately, while expectations for future activity remained expansionary. Raw materials price growth cooled slightly but continued to outpace finished product price, a signal to tighter profit margins for firms moving forward.

### **Hong Kong continues to chalk stellar export growth**

- Export growth beat expectations with robust and sturdy growth of 24.7% y/y in February (Jan: 33.8% y/y) as exports to most markets and of major commodities continued to increase markedly. Expectations of resilient demand for AI-related electronic products will continue to support external demand moving forward, albeit with downside risks from the heightened geopolitical tensions in the Middle East and lingering uncertainties in trade policies.

### **Singapore's industrial output shocked with a contraction**

- Factory output surprised sharply on the downside, unexpectedly dipping 0.1% y/y in February following a downwardly revised +12.9% in January, breaking a 5-month expansion streak. Excluding the electronics cluster, all segments recorded output decline largely due to plant shutdowns during the Lunar New Year. Production of electronics also grew at a softer pace of 13.7% y/y (prior: 34.0% y/y), and will continue to benefit from sustained tailwind for AI-related demand for at least 1H of the year.

## Malaysia lowers subsidy quota for citizens, cap diesel purchases in East Malaysia

- The government will lower the subsidised RON95 quota for citizen to 200 litres/month from 300 litres previously effective April, and cap diesel purchases in East Malaysia at 50 litres per purchase for light vehicles, 100 litres for public transport and goods vehicles under 3 tonnes, and 150 litres for vehicles above 3 tonnes. The reduction in the quota shall have limited impact on consumers given that 90% of Malaysians use less than 200 litres/month. Similarly, impact on inflation is expected to be negligible and we are maintaining our CPI forecast of around 2.0% for 2026.

## House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	96-102	100.63	99.80	97.96	96.48
EUR/USD	1.13-1.18	1.14	1.15	1.17	1.19
GBP/USD	1.31-1.36	1.31	1.32	1.34	1.35
USD/CHF	0.77-0.82	0.79	0.78	0.76	0.75
USD/JPY	156-162	159	155	152	152
AUD/USD	0.68-0.73	0.68	0.69	0.70	0.71
NZD/USD	0.57-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.86-6.92	6.93	6.88	6.84	6.77
USD/MYR	3.89-3.97	3.98	3.96	3.93	3.90
USD/SGD	1.26-1.29	1.29	1.28	1.27	1.25
USD/THB	32.00-34.00	31.60	31.80	31.80	31.40

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
EUR/MYR	4.6166	4.55	4.55	4.60	4.66
GBP/MYR	5.3327	5.23	5.23	5.26	5.28
AUD/MYR	2.7701	2.72	2.72	2.75	2.77
CNY/MYR	0.5781	0.58	0.58	0.58	0.58
SGD/MYR	3.1119	3.09	3.10	3.11	3.12

Rates, %	Current	2Q26	3Q26	4Q26	1Q27
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

Date	Events	Prior
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

## Hong Leong Bank Berhad

Fixed Income & Economic Research,  
Global Markets  
Level 8, Hong Leong Tower  
6, Jalan Damansara  
Bukit Damansara  
50490 Kuala Lumpur  
Tel: 603-2081 1221  
Fax: 603-2081 8936

[HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)

	US Kansas City Fed Services Activity (Mar)	6
30-Mar	UK Mortgage Approvals (Feb)	60.0k
	EC Economic Confidence (Mar)	98.3
	US Dallas Fed Manf. Activity (Mar)	0.2
30 Mar-		
5 Apr	UK Nationwide House Px NSA YoY (Mar)	1.00%

Source: Bloomberg

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