

30 March 2026

## Global Markets Research

### Daily Market Highlights

## 30 Mar: Oil advanced further amid widening Iran conflict

**US stocks fell; USTs closed mixed; DXY above 100 and USDJPY breached 160**

**UK recorded its first fall in retail sales; sharp jump in China's industrial profits**

**Signs of widening conflict to keep oil prices high and sentiment impaired today**

- The sell-off in Wall Street intensified last Friday with investors increasingly concerned of a prolonged tension in the Middle East and its repercussions on oil prices, inflationary pressure and the economy.
- Further signs of a widening conflict over the weekend with Houthi militants reportedly entering the Middle East war and more US troops arriving in the region, and only a trickle of commercial ships allowed to pass through the Strait of Hormuz will likely keep oil prices elevated and continue to weigh on risk-appetite today.
- In the commodity space, crude oil prices rallied more than 4% d/d each last Friday to close the day at \$99.64/barrel for the WTI and \$112.57/barrel for the Brent (more than +4.0% d/d each). The WTI and Brent have since spiked further to \$102.30/barrel and \$115.53/barrel this morning.
- In the equity space, the three US equity benchmarks tumbled 1.7-2.2% d/d with consumer and finance stocks laggards, while Stoxx 600 in Europe slid 1.0% d/d. Major Asian bourses closed mixed, with Nikkei 225 down 0.4% d/d, while CSI 300 and Hang Seng gained 0.4-0.6% d/d.
- Treasuries closed mixed given the uncertainty from the war. The 2Y yield fell 7bps to 3.91%, while the 10Y rose 2bps to 4.43%. 10Y European bond yields increased at a narrower pace of 0-5bps (prior: 8-19bps).
- In the forex space, the DXY jumped 0.3% d/d to 100.15, with JPY (-0.3% d/d to 160.31) depreciating past the closely watched 160 against USD, raising intervention risk by authorities. JPY nonetheless closed mixed against the rest of its G10 peers. GBP (-0.5% d/d to 1.3259) underperformed with UK retail sales disappointing and recording its first decline in three months. At the point of writing, DXY has strengthened further to 100.31 level.
- Most Asian FX weakened against the greenback as well. CNH closed flattish at 6.9200, while MYR and SGD depreciated 0.2-0.4% d/d to 4.0110 and 1.2879 respectively.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	45,166.64	-1.73
S&P 500	6,368.85	-1.67
NASDAQ	20,948.36	-2.15
Stoxx Eur 600	575.30	-0.95
FTSE 100	9,967.35	-0.05
Nikkei 225	53,373.07	-0.43
CSI 300	4,502.57	0.56
Hang Seng	24,951.88	0.38
Straits Times	4,898.18	0.21
KLCI 30	1,712.65	0.10
<b>FX</b>		
Dollar Index	100.15	0.25
EUR/USD	1.1509	-0.16
GBP/USD	1.3259	-0.53
USD/JPY	160.31	0.31
AUD/USD	0.6874	-0.17
USD/CNH	6.9200	0.00
USD/MYR	4.0110	0.44
USD/SGD	1.2879	0.20
USD/KHR	4,010.00	-0.04
USD/THB	32.90	-0.17
<b>Commodities</b>		
WTI (\$/bbl)	99.64	5.46
Brent (\$/bbl)	112.57	4.22
Gold (\$/oz)	4,492.50	2.66
Copper (\$/MT)	12,195.00	0.40
Aluminum(\$/MT)	3,296.00	0.81
CPO (RM/tonne)	4,516.00	1.11

Source: Bloomberg, HLBB Global Markets Research  
\* Closing as of 26 Mar for CPO

### **Sharp downward revision to US consumer sentiment in the wake of the Iran war; services activity grew further in the Kansas region**

- The final University of Michigan Sentiment index was revised 2.2ppts down to 53.3 in March (Feb: 56.6), its lowest since December 2025 as escalating gas prices and volatile financial markets due to the Iran conflict dented sentiment. Declines in long-run inflation expectations were nonetheless more subdued, signalling consumers' expectations that the impact on inflation from the war will be temporary, also mirrored in the jump in 1Y ahead inflation expectations (3.8% vs 3.4%) but softening in long-run expectations (3.2% vs 3.3%).
- The Kansas City Fed Services Activity index unexpectedly improved further to 15 in March from 6 in February, while expectations for future services activity also increased slightly driven primarily by the higher employment expectations. Both the input and selling price growth ticked up, the former outpacing the latter suggesting a squeeze in profit margin ahead.

### **UK retail sales recorded its first drop in 3 months**

- Although better than expected, UK retail sales recorded its first drop in 3 months at 0.4% m/m in February (prior: 2.2% m/m) amid a pull-back in supermarket sales and non-store retailers, the latter reportedly due to consumers bringing forward their spending to January to maximise on discounting during the period. In our opinion this frailty will likely persist with consumer sentiment (-21 vs -19) already dented in March due to the energy shock and households planning to save more and postponing big ticket purchases to soften this blow.

### **Sharp jump in China's industrial profits due to high-tech manufacturing and raw material producers**

- Industrial profits rose a strong 15.2% y/y for the first two months of the year, much faster than 5.1% y/y in December and 0.6% y/y for the whole of 2025. The notable uptick was attributable to accelerated factory activity and rising product prices and by sector, led by high-tech manufacturing while raw material producers also reported strong profit growth. As it is, the impact from the Iran war cut both ways for China, upside risks from higher selling prices for raw material producers and downside from dented demand and higher energy costs.

## House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DXY	98-102	100.63	99.80	97.96	96.48
EUR/USD	1.13-1.17	1.14	1.15	1.17	1.19
GBP/USD	1.31-1.35	1.31	1.32	1.34	1.35
USD/CHF	0.77-0.82	0.79	0.78	0.76	0.75
USD/JPY	157-162	159	155	152	152
AUD/USD	0.67-0.70	0.68	0.69	0.70	0.71
NZD/USD	0.56-0.60	0.57	0.58	0.58	0.59
USD/CNY	6.88-6.93	6.93	6.88	6.84	6.77
USD/MYR	3.97-4.03	3.98	3.96	3.93	3.90
USD/SGD	1.27-1.30	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	4.6217	4.55	4.55	4.60	4.66
GBP/MYR	5.3372	5.23	5.23	5.26	5.28
AUD/MYR	2.7650	2.72	2.72	2.75	2.77
CNY/MYR	0.5806	0.58	0.58	0.58	0.58
SGD/MYR	3.1179	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
30-Mar	UK Mortgage Approvals (Feb)	60.0k
	EC Economic Confidence (Mar)	98.3
	US Dallas Fed Manf. Activity (Mar)	0.2
31-Mar	MA BNM Annual Report 2025	
	JN Tokyo CPI Ex-Fresh Food YoY (Mar)	1.80%
	JN Jobless Rate (Feb)	2.70%
	JN Retail Sales MoM (Feb)	4.10%
	JN Industrial Production MoM (Feb P)	4.30%
	AU RBA Minutes of March Policy Meeting	
	AU Private Sector Credit MoM (Feb)	0.50%
	CH Manufacturing PMI (Mar)	49
	CH Non-manufacturing PMI (Mar)	49.5
	UK GDP QoQ (4Q F)	0.10%
	EC CPI Core YoY (Mar P)	2.40%
	US FHFA House Price Index MoM (Jan)	0.10%
	US S&P Cotality CS US HPI YoY NSA (Jan)	1.27%
	US MNI Chicago PMI (Mar)	57.7
	US Conf. Board Consumer Confidence (Mar)	91.2
	US JOLTS Job Openings (Feb)	6946k
	US Dallas Fed Services Activity (Mar)	-3.2

Source: Bloomberg

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