

31 March 2026

## Global Markets Research

### Daily Market Highlights

# 31 Mar: All eyes on BNM macro projections and guidance

**Powell: Inflation expectations “well anchored beyond the short term”**

**Traders scaled back on rate hike bets; UST yields fell; DXY gained on haven bids  
JPY strengthened below 160 on verbal intervention; softer data from Japan today**

- Crude oil prices rose to start the week. WTI rose 3.3% d/d to \$102.88/barrel while Brent inched 0.2% higher on the day to \$112.78/barrel, as hopes of a US-Iran ceasefire faded after the White House expanded its threats to Iran’s energy and water infrastructure.
- In the US equity space, tech and industrial stocks led the S&P 500 (-0.4% d/d) and Nasdaq (-0.7% d/d) into red, while the Dow closed up slightly by 0.1% d/d. In Europe, Stoxx 600 climbed 0.9% d/d buoyed by utility, energy and real estate companies. Kospi (-3.0% d/d) led declines in Asia with the Middle East war entering its fifth week. Nikkei 225, Hang Seng and CSI 300 also fell 0.2-2.8% d/d, and are expected to extend their losses in a risk-off space and following futures.
- In the bond space, treasury yields fell after Fed Chair Powell said overnight that inflation expectations seem to be “well anchored beyond the short term” even with the energy price surge, adding that officials may need to respond to impact from the conflict but that it is not the case yet. This saw traders scaling back on their rate hike bets and the 2Y and 10Y yields closing the day lower at 3.83% (-8bps) and 4.35% (-8bps) respectively. 10Y European bond yields also retreated and closed the day 4-8bps lower.
- Haven bids saw the Dollar (DXY: 0.4% d/d to 100.51) strengthening against all its G10 peers save the NOK (just above flatline) and JPY (+0.4% d/d to 159.71), the latter following verbal intervention by officials. SEK (-0.8%) and GBP (-0.6% d/d to 1.3186) lagged, while EUR (1.1465) and AUD (0.6853) weakened at a narrower pace of 0.3-0.4% d/d against the USD.
- Most regional currencies also depreciated against the greenback. MYR traded 0.5% d/d weaker at 4.0310 ahead of the release of a slew of reports by BNM today, most importantly the Economic & Monetary Review 2025 where it will provide the latest updated macro forecasts, while SGD was 0.3% d/d softer at 1.2910 against USD.

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	45,216.14	0.11
S&P 500	6,343.72	-0.39
NASDAQ	20,794.64	-0.73
Stoxx Eur 600	580.73	0.94
FTSE 100	10,127.96	1.61
Nikkei 225	51,885.85	-2.79
CSI 300	4,491.95	-0.24
Hang Seng	24,750.79	-0.81
Straits Times	4,897.26	-0.02
KLCI 30	1,687.90	-1.45
<b>FX</b>		
Dollar Index	100.51	0.36
EUR/USD	1.1465	-0.38
GBP/USD	1.3186	-0.55
USD/JPY	159.71	-0.37
AUD/USD	0.6853	-0.31
USD/CNH	6.9163	-0.05
USD/MYR	4.0310	0.50
USD/SGD	1.2910	0.24
USD/KHR	4,008.00	-0.05
USD/THB	32.85	-0.10
<b>Commodities</b>		
WTI (\$/bbl)	102.88	3.25
Brent (\$/bbl)	112.78	0.19
Gold (\$/oz)	4,526.00	0.75
Copper (\$/MT)	12,223.50	0.23
Aluminum(\$/MT)	3,401.00	3.19
CPO (RM/tonne)	4,532.50	0.37

Source: Bloomberg, HLBB Global Markets Research  
\* Closing as of 27 Mar for CPO

### **Growth in Texas manufacturing activity slowed amid increased uncertainty**

- The Dallas Fed Manufacturing Activity index unexpectedly fell to -0.2 in March from 0.2 previously, suggesting that manufacturing activity are showing signs of slower growth. The sub-indicators were mixed while expectations are for increased manufacturing activity six months from now.

### **Eurozone's economic confidence tumbled with selling price expectations up sharply**

- The Economic Confidence index eased more than expected by 1.6ppts to 96.6 in March amid a marked deterioration in sentiment amongst consumers and retailers and, to a smaller extent, services. Confidence in construction improved but remained broadly unchanged in industry. Confidence fell for France, Spain and Italy and remained broadly stable for Germany. More importantly, selling price expectations were up sharply, ringing inflation alarm bells moving forward.

### **UK mortgage approvals increased before the Middle East tension**

- Mortgage approvals unexpectedly increased to its highest in 3 months to 62.6k in February (prior: 60.2k) while consumer credit also grew at the faster pace at £1.9bn (prior: £1.8bn) driven by "other loans and advances" which includes personal loans and car financing. We are neutral despite this latest uptick in mortgage approvals as the widening Iran conflict saw traders ramping up mortgage rates and likely dragging on the housing market.

### **Broadly softer than expected Japan prints; Tokyo's inflation could keep JPY in check today**

- Tokyo core inflation slowed more than expected to 1.7% y/y in March from 1.9% y/y previously, consistent with BOJ's outlook for temporary easing this year. Stripping base effects, services-related inflation remains firm and with higher labour costs and oil prices likely to push inflation expectations for Tokyo and Japan back above its 2% target, there is no change in our view that the central bank is on track to deliver another rate hike in 3Q of this year.
- Meanwhile, February's Japan data was mixed before the Middle East conflict. Labour prints were better than expected, with jobless rate unexpectedly improving to 2.6% from 2.7% and the job-to-applicant ratio rising to 1.19 from 1.18. On the flip side, retail sales and IPI fell more than expected by 2.0% m/m (prior: 3.0% m/m) and 2.1% m/m (prior: 4.3% m/m), respectively.

## 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	4.6340	4.55	4.55	4.60	4.66
GBP/MYR	5.3356	5.23	5.23	5.26	5.28
AUD/MYR	2.7643	2.72	2.72	2.75	2.77
CNY/MYR	0.5833	0.58	0.58	0.58	0.58
SGD/MYR	3.1258	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
31-Mar	MA BNM Annual Report 2025, Economic & Monetary Review 2025 and Financial Stability Review 2H of 2025	
	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
	1-Apr	AU S&P Global Australia PMI Mfg (Mar F)
JN Tankan Large Mfg Index (1Q)		15
JN S&P Global Japan PMI Mfg (Mar F)		51.4
MA S&P Global Malaysia PMI Mfg (Mar)		49.3
VN S&P Global Vietnam PMI Mfg (Mar)		54.3
AU Building Approvals MoM (Feb)		-7.20%
	CH RatingDog China PMI Mfg (Mar)	52.1

### 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)

EC S&P Global Eurozone Manufacturing PMI (Mar F)	51.4
HK Retail Sales Value YoY (Feb)	5.50%
UK S&P Global UK Manufacturing PMI (Mar F)	51.4
EC Unemployment Rate (Feb)	6.10%
US MBA Mortgage Applications	-10.50%
US ADP Employment Change (Mar)	63k
US Retail Sales Advance MoM (Feb)	-0.20%
US S&P Global US Manufacturing PMI (Mar F)	52.4
US ISM Manufacturing (Mar)	52.4

Source: Bloomberg

#### **DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favourable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.