

## Global Markets Research

### Daily Market Highlights

## 30 Apr: Tariff respite soothed fear in the market

**US stocks continued rallying amid positive auto tariff news; USD advanced against G10s**

**UST yields tumbled followed weak consumer confidence and softer job opening prints**

**All eyes on US 1Q GDP and PCE prices today; BOJ monetary policy decision tomorrow**

- Shrugging off weak economic prints, the three major US equity indices continued with its upward climb for the sixth day by between 0.5-0.8% d/d after a day of choppy trade, with the Dow leading gains. Stocks were struggling to find footing in early trading hours, but turned higher after Commerce Secretary Howard Lutnick said that the US had reached a trade deal without naming the country. This comes soon after the administration announced moves to reduce the impact from the automotive tariffs, which includes measures to alleviate some duties placed on foreign parts in domestically manufactured cars, and preventing tariffs on cars made abroad from stacking up. This saw major stocks affected by the trade war, like General Motors and Apple, bouncing off their lows.
- Elsewhere, Stoxx Eur 600 closed 0.4% d/d higher amid a mixed earnings bonanza, while Asian markets traded mixed, the latter poised to track bullish Wall Street today.
- In the bond space, investors' bet on a slow US economy following a slew of weaker than expected economic prints. UST yields slid 3-5bps across the curve, and the 2Y and 10Y yields fell 4bps each to 3.65% and 4.17% respectively. 10Y European bond yields dropped at a modest pace of 1-3bps overnight after increasing 2-6bps the day before.
- In the forex space, the Dollar traded stronger against all its G10 peers following the auto tariffs announcements and the DXY traded up 0.2% d/d to 99.24 at close. NZD (-0.8% d/d) and AUD (-0.7% d/d 0.6384) were the worst performers against USD, while CAD outperformed most of its G10 peers, closing just below its flatline after the Liberal Party won the election. EUR weakened 0.3% d/d to 1.1387, while GBP retreated from its 3-year high to 1.3409 (-0.2% d/d).
- On the regional front, THB (+0.8% d/d) and MYR (+0.8% d/d to 4.3273) led gains in Asia amid the tariff respite, while CNH and SGD appreciated at a milder pace of 0.1-0.2% d/d to 7.2679 and 1.3076 respectively.
- On the commodities front, lingering concerns over global growth and crude oil demand continues to weigh on crude oil prices,

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	40,527.62	0.75
S&P 500	5,560.83	0.58
NASDAQ	17,461.32	0.55
Stoxx Eur 600	525.09	0.36
FTSE 100	8,463.46	0.55
Nikkei 225	35,839.99	0.38
CSI 300	3,775.08	-0.17
Hang Seng	22,008.11	0.16
Straits Times	3,805.18	-0.17
KLCI 30	1,515.56	-0.40
<b>FX</b>		
Dollar Index	99.24	0.23
EUR/USD	1.1387	-0.29
GBP/USD	1.3409	-0.24
USD/JPY	142.33	0.23
AUD/USD	0.6384	-0.73
USD/CNH	7.2679	-0.23
USD/MYR	4.3273	-0.84
USD/SGD	1.3076	-0.07
<b>Commodities</b>		
WTI (\$/bbl)	60.42	-2.63
Brent (\$/bbl)	64.25	-2.44
Gold (\$/oz)	3,333.60	0.03
Copper (\$\$/MT)	9,440.00	0.66
Aluminum(\$/MT)	2,465.50	1.29
CPO (RM/tonne)	4,075.00	-2.34

Source: Bloomberg, HL Bank

\* CPO dated as of 28 April

sending the WTI and Brent prices down 2.4-2.6% d/d to \$60.42/barrel and \$64.25/barrel respectively.

### **US consumer confidence plunged; higher goods trade deficit on front-loading; job openings data surprised on the downside; softer but still elevated house price growth**

- In the US, the Conference Board's consumer confidence plunged more than expected to 86.0 in April (prior: 93.9) as consumers' expectations for the future slid its lowest since October 2011 at 54.4 (prior: 66.9). Driving the downtick were concerns over tariffs, while high financial market volatility also weighed on sentiment, heightening concerns over the growth prospects for 1Q GDP print due to be released this week, and those further down the line.
- Already, the higher goods trade deficit in March implies weaker 1Q GDP. Trade deficit unexpectedly widened to \$162.0bn (prior: -\$147.8bn) as imports jumped 5.0% m/m, outpacing exports at +1.2% m/m. The jump in imports were led by a 27.5% surge in consumer goods, while inbound shipments of motor vehicles and capital goods also increased, likely reflecting the push by US companies to secure goods and materials ahead of the sweeping tariffs announced in early April.
- JOLTS job openings surprised on the downside at 7.19m in March (prior: 7.48m), its lowest since September. Consequently, the ratio of job openings to unemployed workers, a gauge of labour market strength, eased to 1.02 from 1.06 in February, in line with the cooling labour market trend. Data also showed that the layoffs and discharge rate inched down to 1.0% (prior: 1.1%), while the quit rate rose to 2.1% (prior: 2.0%), a surprising sign that workers were more confident that they could find job offers easily. As it is, the details of the decline in vacancies (transportation & warehousing, government as well as leisure & hospitality) can be traced partially to Trump's policies and moving forward, the DOGE plan and subsequent pull-back in spending suggest further softening in the labour market.
- On the housing front, even with elevated mortgage rates and affordability challenges, home prices have shown notable resilience. Buyer demand has indeed cooled, but limited housing supply will continue to underpin slower, more sustainable pace of price growth, as reflected in both the S&P Core Logic and FHFA House Price indices posting 3.9% y/y gains in February (Jan: +4.1% and +5.0% y/y),

### **Eurozone's 1Y inflation expectations jumped; economic confidence fell**

- In the Eurozone, March's median expectations for inflation were more elevated than expected, with the 1Y increasing 0.3ppts to 2.9%, its highest level since April 2024 driven by tariff concerns, while the 3Y inched up 0.1ppts to 2.5%.

- Economic confidence fell more than expected to 93.6 in April (Mar: 95.0), driven by markedly lower confidence among consumers likely due to concerns over price pressures, in retail trade and, to a lesser extent, in services. Confidence in industry and construction remained broadly stable. Among the largest economies, confidence deteriorated significantly for Italy, was broadly stable for France and improved slightly in Spain and Germany, the latter likely supported by the latest fiscal spending.

#### Dent in UK's business confidence

- Lloyd's Business Barometer fell a sharp 10 points to 39 in April, suggesting that the impact of governments' decisions at home (due to Autumn budget) and globally (due to tariffs) are beginning to dent confidence. Trading prospects for the year ahead dipped sharply, but prices charged next 12 months jumped, posing a dilemma to BOE's easing policy cycle ahead.

#### Drop in Japan's IPI and consumer spending before April's tariffs

- Weaker than expected economic indicators from Japan reaffirmed our view that the BOJ will likely maintain its policy rate unchanged at 0.50% tomorrow and that the economy has started to lose its momentum even before Trump's tariff hits. The industrial output reversed prior month's gain and fell 1.1% m/m in March (Feb: +2.3% m/m) dragged by consumer goods, while retail sales declined 1.2% m/m (Feb: +0.4% m/m).

#### House View and Forecasts

FX	This Week	2Q-25	3Q-25	4Q-25	1Q-26
DX	98-101	99.70	98.35	97.01	95.70
EUR/USD	1.12-1.16	1.14	1.15	1.17	1.19
GBP/USD	1.31-1.35	1.31	1.32	1.33	1.34
USD/CHF	0.80-0.85	0.81	0.80	0.79	0.78
USD/JPY	139-146	142	139	136	133
AUD/USD	0.62-0.66	0.62	0.62	0.63	0.64
NZD/USD	0.57-0.61	0.57	0.57	0.58	0.58
USD/CNY	7.26-7.33	7.43	7.35	7.28	7.21
USD/MYR	4.34-4.41	4.54	4.50	4.47	4.40
USD/SGD	1.30-1.33	1.34	1.33	1.31	1.30

Rates, %	Current	2Q-25	3Q-25	4Q25	1Q26
Fed	4.25-4.50	4.00-4.25	3.75-4.00	3.50-3.75	3.25-3.50
ECB	2.25	2.00	1.75	1.75	1.75
BOE	4.50	4.25	4.00	3.75	3.50
SNB	0.25	0.25	0.25	0.25	0.25
BOJ	0.50	0.50	0.50	0.75	0.75
RBA	4.10	3.85	3.60	3.35	3.10
RBNZ	3.50	3.25	3.00	2.75	2.50
BNM	3.00	3.00	2.75	2.75	2.75

Source: HL Bank

## Up Next

Date	Events	Prior
30-Apr	AU CPI Trimmed Mean YoY (Mar)	2.70%
	CH Manufacturing PMI (Apr)	50.5
	CH Non-manufacturing PMI (Apr)	50.8
	AU Private Sector Credit MoM (Mar)	0.50%
	CH Caixin China PMI Mfg (Apr)	51.2
	EC GDP SA QoQ (1Q A)	0.20%
	US MBA Mortgage Applications	-12.7%
	US ADP Employment Change (Apr)	155k
	US Employment Cost Index (1Q)	0.90%
	US GDP Annualized QoQ (1Q A)	2.40%
	US MNI Chicago PMI (Apr)	47.6
	US Personal Income (Mar)	0.80%
	US Personal Spending (Mar)	0.40%
	US Core PCE Price Index YoY (Mar)	2.80%
	US Pending Home Sales MoM (Mar)	2.00%
1-May	AU S&P Global Australia PMI Mfg (Apr F)	51.7
	JN Jibun Bank Japan PMI Mfg (Apr F)	48.5
	AU Import Price Index QoQ (1Q)	0.20%
	AU Exports MoM (Mar)	-3.60%
	JN Consumer Confidence Index (Apr)	34.1
	UK Mortgage Approvals (Mar)	65.5k
	UK S&P Global UK Manufacturing PMI (Apr F)	44.0
	US Challenger Job Cuts YoY (Apr)	204.80%
	US Initial Jobless Claims	222k
	US S&P Global US Manufacturing PMI (Apr F)	50.7
	US Construction Spending MoM (Mar)	0.70%
	US ISM Manufacturing (Apr)	49
	JN BOJ Target Rate	0.50%

Source: Bloomberg

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