

## Global Markets Research

## Daily Market Highlights

## 4 Mar: Sea of red in the global financial markets

**Extended sell-off in stocks & bonds; DXY & crude oil prices continued to rally**

**Unexpected acceleration in Eurozone's CPI; solid capex for Japan**

**Up next: US Beige Book, ADP & ISM services; China's PMI; Australia's GDP**

- Global markets largely traded in the red, while oil prices continued to push higher with signs of the Middle East conflict widening for the fourth day.
- In the commodity space, the WTI and Brent jumped more than 4.0% d/d to close the day at \$74.56/barrel and \$81.40/barrel respectively. Gold, nonetheless slumped 3.5% d/d to \$5,124/oz with the stronger Dollar offsetting the war risk premium.
- In the equity space, the 3 major benchmark indices tumbled 0.8-1.0% d/d in Wall Street. The indices were nonetheless off their intraday lows, with investors assured by Trump's comment that the US Navy will protect oil tankers at the Strait of Hormuz, if necessary.
- Stocks in Europe and Asian also slumped with the conflict souring sentiment and futures suggest extended losses today. Stoxx Eur 600 ended the session 3.1% lower, while Nikkei 225, Hang Seng and CSI 300 dropped 3.1%, 1.1% d/d and 1.5% d/d respectively.
- In the bond space, treasuries fell further with the oil price surge dimming Fed rate cut views. The benchmark 2Y and 10Y yields rose in tune to 3bps each to close the day at 3.51% and 4.06%. 10Y European bond yields similarly jumped 5-10bps.
- In the FX space, the Dollar strengthened for the second day and the DXY closed up 0.7% d/d to 99.05 amid haven demand and higher UST yields. SEK (1.1% d/d), NZD (-0.9% d/d) and NOK (-0.9% d/d) underperformed their G10 peers, while EUR depreciated 0.6% d/d to 1.1615 despite the upside surprise to the bloc's CPI print.
- KRW (-3.3% d/d) led most Asian currencies weaker against the greenback, while CNH, MYR and SGD traded 0.2-0.5% d/d weaker at 6.9194, 3.9460 and 1.2770 respectively.

### Unexpected pick up in Eurozone's inflation

- Headline CPI unexpectedly picked up pace in February to 1.9% y/y (prior: 1.7% y/y) with the negative contribution from energy prices narrowed during the month, but more

### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	48,501.27	-0.83
S&P 500	6,816.63	-0.94
NASDAQ	22,516.69	-1.02
Stoxx Eur 600	604.44	-3.08
FTSE 100	10,484.13	-2.75
Nikkei 225	56,279.05	-3.06
CSI 300	4,655.90	-1.54
Hang Seng	25,768.08	-1.12
Straits Times	4,916.65	0.53
KLCI 30	1,711.95	0.69
<b>FX</b>		
Dollar Index	99.05	0.68
EUR/USD	1.1613	-0.64
GBP/USD	1.3358	-0.37
USD/JPY	157.74	0.22
AUD/USD	0.7036	-0.80
USD/CNH	6.9194	0.27
USD/MYR	3.9460	0.48
USD/SGD	1.2770	0.24
USD/KHR	4,010.00	-0.02
USD/THB	31.45	1.17
<b>Commodities</b>		
WTI (\$/bbl)	74.56	4.67
Brent (\$/bbl)	81.40	4.71
Gold (\$/oz)	5,123.70	-3.54
Copper (\$/MT)	12,955.00	-1.17
Aluminum(\$/MT)	3,251.00	1.77
CPO (RM/tonne)	4,030.00	1.86

Source: Bloomberg, HL Bank

\* Closing as of 2 Mar for CPO, USD/THB

importantly, core CPI was also a tad higher than expected at 2.4% y/y (prior: 2.2% y/y). Uptick was observed for both goods and services, a sign that price pressures have yet to fully abate even before the Middle East conflict and if prolonged, poses an upward challenge to ECB's headline and core CPI forecasts of 1.9% and 2.2% in 2026. As mentioned before, the impact from the Middle-eastern war will depend on the extent and duration of the conflict.

### Australia's building approvals fell; upward revision to its services PMI

- Mixed print from Australia. Building approvals unexpectedly fell albeit at a slower pace of 7.2% m/m in January after contracting 14.9% m/m the prior month, largely driven by the second consecutive fall in private dwellings excluding houses.
- Its services PMI for February was nonetheless revised 0.6ppts up to 52.8 for February (Jan: 56.3). This signals resiliency for the sector in the face of rising interest rates and lingering external uncertainties, as shown by a still strong increase in new business.

### Solid capex for Japan

- Capex spending amongst Japan's largest companies jumped more than expected by 6.5% y/y in 4Q (3Q: 2.9% y/y), with Prime Minister Sanae Takaichi's push for domestic investment in strategic sectors largely lifting sentiment. The uptick was driven by non-manufacturers, while manufacturers capex was flattish during the quarter.
- The latest print is likely to boost the revised 4Q GDP reading due for release next week, and a welcome by the BOJ, as this points to confidence and a healthy bottom line for the economy and the labour market, the latter seeing unemployment rate still low at 2.7% in January (prior: 2.6%).

### House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	96-100	96.71	95.13	94.70	95.49
EUR/USD	1.16-1.20	1.20	1.22	1.22	1.21
GBP/USD	1.33-137	1.36	1.37	1.37	1.35
USD/CHF	0.75-0.79	0.78	0.78	0.78	0.78
USD/JPY	153-159	153	149	147	147
AUD/USD	0.69-0.73	0.68	0.69	0.70	0.69
NZD/USD	0.58-0.62	0.58	0.59	0.59	0.58
USD/CNY	6.85-6.94	6.90	6.83	6.85	6.90
USD/MYR	3.89-3.96	4.00	3.97	3.97	4.00
USD/SGD	1.25-1.28	1.26	1.23	1.23	1.24
USD/THB	30.80-31.60	32.2	32,1	32.0	30.8
FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
SGD/MYR	3.0880	3.17	3.21	3.23	3.22

EUR/SGD	1.4834	1.51	1.50	1.50	1.50
GBP/SGD	1.7057	1.71	1.70	1.69	1.68
AUD/SGD	0.8983	0.86	0.86	0.86	0.86

Rates, %	Current	1Q26	2Q26	3Q26	4Q26
Fed	3.50-3.75	3.50-3.75	3.25-3.50	3.25-3.50	3.00-3.25
ECB	2.00	2.00	2.00	2.00	2.00
BOE	3.75	3.50	3.50	3.50	3.50
SNB	0.00	0.00	0.00	0.00	0.00
BOJ	0.75	0.75	0.75	1.00	1.00
RBA	3.85	3.85	4.10	4.10	4.10
RBNZ	2.25	2.25	2.25	2.25	2.25
BNM	2.75	2.75	2.75	2.75	2.75

Source: HL Bank

### Up Next

Date	Events	Prior
4-Mar	AU GDP SA QoQ (4Q)	0.40%
	HK S&P Global Hong Kong PMI (Feb)	52.3
	SI S&P Global Singapore PMI (Feb)	56.8
	JN S&P Global Japan PMI Services (Feb F)	53.8
	CH Manufacturing PMI (Feb)	49.3
	CH Non-manufacturing PMI (Feb)	49.4
	CH RatingDog China PMI Services (Feb)	52.3
	JN Consumer Confidence Index (Feb)	37.9
	HK Retail Sales Value YoY (Jan)	6.60%
	EC HCOB Eurozone Services PMI (Feb F)	51.8
	UK S&P Global UK Services PMI (Feb F)	53.9
	EC PPI YoY (Jan)	-2.10%
	EC Unemployment Rate (Jan)	6.20%
	US MBA Mortgage Applications	0.40%
	US S&P Global US Services PMI (Feb)	52.3
US ISM Services Index (Feb)	53.8	
5-Mar	AU Trade Balance (Jan)	A\$3373m
	AU Household Spending MoM (Jan)	-0.40%
	SI Retail Sales SA MoM (Jan)	-5.40%
	MA BNM Overnight Policy Rate	2.75%
	EC Retail Sales MoM (Jan)	-0.50%
	US Challenger Job Cuts YoY (Feb)	117.80%
	US Import Price Index YoY (Jan)	0.00%
	US Unit Labor Costs (4Q P)	-1.90%
US Initial Jobless Claims	212k	

Source: Bloomberg

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