

## Global Markets Research

## Daily Market Highlights

## 24 Apr: Haven bids amid re-escalation in geopolitical fear

**Equities in red amid mixed corporate results; UST yields & DXY advanced**  
**PMIs for the majors boosted by stock rebuilding for manufacturing sector**  
**Energy driven inflationary pressure in Japan, Hong Kong and Singapore**

- Concerns over an escalation in geopolitical tensions in the Middle East after President Trump ordered US Navy to shoot any boat laying mines in Straits of Hormuz, and prolonged closure in the Straits saw Brent (\$105.07/barrel) and the WTI (\$95.85/barrel) surging more than 3% d/d each overnight and the three major equity benchmarks in the US pulling back between 0.3-0.9% on the day as at Thursday's close.
- Trump nonetheless added that the Israel-Lebanon ceasefire is extended by 3 week later in the day).
- Energy stocks were notable outperformers, while software stocks were amongst the worst performers, the latter as IBM and ServiceNow's latest corporate results and guidance failed to ease AI fears.
- The simmering tension also weighed on Asian equity bourses (Nikkei 225: -0.8% d/d, CSI 300: -0.3% d/d, Hang Seng: -1.0% d/d), while Stoxx Eur 600 was the outlier, closing up 0.1% d/d on favourable corporate results from the likes of cosmetics giant L'Oreal to Nestle.
- In the bond space, the 2Y and 10Y UST yields were up 4bps to 3.83% and 2bps to 4.32% respectively with the tensions reigniting inflation fears. 10Y European bond yields closed mixed in between -1 to +3bps.
- Haven bids saw the greenback strengthening against all regional and G10 currencies. The DXY closed up 0.2% d/d to 98.77, with NZD (-0.9% d/d) lagging all its peers, while JPY (-0.1% d/d to 159.71) outperformed most. EUR, GBP and AUD were 0.2-0.5% d/d weaker at 1.1683, 1.3467 and 0.7128.
- Similarly, CNH, MYR and SGD depreciated 0.1-0.3% d/d to 6.8356, 3.9653 and 1.2784.

### Business activities broadly fared better than expected for the majors

- US composite PMI fared better than expected at 52.0 in April (prior: 50.3), but the momentum remained subdued, most notably for services (better than expected at 51.3 vs 49.8) following weakened demand. While manufacturing posted

#### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	49,310.32	-0.36
S&P 500	7,108.40	-0.41
NASDAQ	24,438.50	-0.89
Stoxx Eur 600	614.20	0.05
FTSE 100	10,457.01	-0.19
Nikkei 225	59,140.23	-0.75
CSI 300	4,786.33	-0.28
Hang Seng	25,915.20	-0.95
Straits Times	4,944.11	-1.17
KLCI 30	1,721.70	0.66
<b>FX</b>		
Dollar Index	98.77	0.18
EUR/USD	1.1683	-0.19
GBP/USD	1.3467	-0.26
USD/JPY	159.71	0.14
AUD/USD	0.7128	-0.45
USD/CNH	6.8356	0.05
USD/MYR	3.9653	0.31
USD/SGD	1.2784	0.22
USD/KHR	4,003.88	0.03
USD/THB	32.44	0.79
<b>Commodities</b>		
WTI (\$/bbl)	95.85	3.11
Brent (\$/bbl)	105.07	3.10
Gold (\$/oz)	4,705.10	-0.58
Copper (\$/MT)	13,355.50	-0.58
Aluminum(\$/MT)	3,620.00	0.18
CPO (RM/tonne)	4,540.00	1.19

Source: Bloomberg, HL Bank

\* Closing as of 22 Apr for CPO

solid gain (better than expected at 54.0 vs 52.3), this was due to stock building on concerns over supply availability and price hikes, and thus, is unlikely to be sustainable.

- The performance of the US sectoral PMIs was also broadly in line with Fed regional indicators, with the Kansas City Fed manufacturing index still resilient in April (10 vs 11), while the Chicago Fed National Activity index weakened to -0.20 from +0.03.
- Eurozone's composite PMI unexpectedly slipped into contraction territory for the first time since 2024 at 48.6 (prior: 50.7). The war hit the services sector hard (worse than expected at 47.4 vs 50.2), while sustained growth for manufacturing growth (better than expected at 52.2 vs 51.6) due to stock building helped negate this. Not surprisingly, businesses are increasingly gloomy over economic outlook, and sentiment plunged to its lowest since late 2022.
- The UK's economy unexpectedly gathered some renewed momentum (composite PMI: 52.0 vs 50.3), supported by moderate upturns for manufacturing (better than expected at 53.6 vs 51.0) and services (better than expected at 52.0 vs 50.5). Of note, prices spiked higher at a rate not seen outside of the pandemic, suggesting that inflation rates could be higher than what many forecasters or even the BOE would have been anticipating. Lower employment, business and consumer (GfK: -25 in Apr vs -21) confidence bodes ill for growth in the coming months.
- Japan's composite PMI (52.4 vs 53.0) suggests modest expansion for Japan and its softest growth in 4 months. While services (51.2 vs 53.4) reported weaker growth, manufacturing (54.9 vs 51.6) reported a steep gain amid solid uptick in new work, as well as firms boosting output due to further supply chain disruptions. Again, with business confidence easing to the lowest level since August 2020, the uptick for manufacturing suggests that the positive trend is not sustainable.

#### **Slight tick up, but still low jobless claims for the US**

- Although higher than expected (+6k to 214k vs -10k to 208k), jobless claims remained low and consistent with low layoffs for the week ended April 18. Continuing claims, a proxy for the number of people receiving benefits, also rose, albeit at a narrower pace of 12k to 1821k for the week ended April 11 (prior: +22k).

#### **Tamer than expected inflation for Hong Kong**

- Inflation was tamer than expected at 1.7% y/y in March. Although a step up from an average of 1.5% in January and February, inflation at this level remains moderate and was largely underpinned by increases in prices of fuel-related

components. Elevated international oil prices will likely continue to feed through to inflationary pressures, but short-term targeted measures by the Government will help to contain this upward pressure.

### Singapore's CPI picked up as expected

- Higher fuel prices and other input costs from the energy shock saw headline and core inflation accelerating to 1.8% y/y and 1.7% y/y respectively in March (prior: 1.2% y/y and 1.4% y/y) as expected, and is likely to broaden further in the months ahead given the persistent disruption to global energy supplies and/or shortages in key intermediate inputs to regional supply chains. With this, MAS recently raised its 2026's inflation projections to 1.5–2.5% this year, while noting that slower wage growth and demand-pull inflation will help to negate this.

### Japan's CPI surprised on the upside

- March's headline inflation was more elevated than expected at 1.5% y/y (prior: 1.3% y/y) due to fuel. Stripping fuel and food, prices eased but remained firm at 2.4% y/y from 2.5% y/y. With the BOJ Governor emphasizing the need to assess both upside risks on inflation and downside risks to the economy, there is no change in our view that the central bank will likely maintain its policy rate unchanged next week.

### House View and Forecasts

FX	This Week	2Q-26	3Q-26	4Q-26	1Q-27
DX	97-100	100.63	99.80	97.96	96.48
EUR/USD	1.16-1.19	1.14	1.15	1.17	1.19
GBP/USD	1.33-1.37	1.31	1.32	1.34	1.35
USD/CHF	0.76-0.80	0.79	0.78	0.76	0.75
USD/JPY	156-161	159	155	152	152
AUD/USD	0.70-0.73	0.68	0.69	0.70	0.71
NZD/USD	0.56-0.61	0.57	0.58	0.58	0.59
USD/CNY	6.79-6.85	6.93	6.88	6.84	6.77
USD/MYR	3.92-4.00	3.98	3.96	3.93	3.90
USD/SGD	1.26-1.29	1.29	1.28	1.27	1.25
USD/THB	31.50-32.50	31.60	31.80	31.80	31.40

  

FX	Last close	2Q-26	3Q-26	4Q-26	1Q-27
SGD/MYR	3.1058	3.09	3.10	3.11	3.12
EUR/SGD	1.4935	1.47	1.47	1.48	1.50
GBP/SGD	1.7215	1.69	1.69	1.69	1.69
AUD/SGD	0.9113	0.88	0.88	0.88	0.89

  

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: HL Bank

## Up Next

Date	Events	Prior
24-Apr	US Kansas City Fed Services Activity (Apr)	15
	UK Retail Sales Inc Auto Fuel MoM (Mar)	-0.40%
	US U. of Mich. Sentiment (Apr F)	47.6
27-Apr	CH Industrial Profits YTD YoY (Mar)	15.20%
	SI Industrial Production SA MoM (Mar)	-7.20%
	US Dallas Fed Manf. Activity (Apr)	-0.2

Source: Bloomberg

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