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 (%)
Equities		
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
FX		
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
Commodities		
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, HL Bank
** 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
SGD/MYR	3.1258	3.09	3.10	3.11	3.12
EUR/SGD	1.4803	1.47	1.47	1.48	1.50
GBP/SGD	1.7020	1.69	1.69	1.69	1.69
AUD/SGD	0.8846	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
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)	50.1
	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
	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