17 March 2026

Global Markets Research
Daily Market Highlights

17 Mar: Retreat in oil prices lifted risk sentiment

Allayed inflation fears spurred gains in stocks & bonds; selloff in USD
AUD outperformed most G10 amid bets of an RBA rate hike today
China's data was better than expected; CSI 300 & CNH strengthened

- The global markets finally caught a breather yesterday, with a pullback in energy prices lifting appetite for both stocks and bonds. While traffic through Hormuz remains near a standstill, hopes that more tankers will be able to transverse the straits and the IEA stating that it has more emergency reserves if needed, saw Brent sliding 2.8% d/d to $100.21/barrel and the WTI tumbling 5.3% to end the day at $93.50/barrel.
- In the equity space, the three major US averages ended up 0.8-1.2% d/d. Gains were broad-based and led by tech stocks. In Europe, Stoxx 600 gained 0.4% d/d, while in Asia, CSI 300 and Hang Seng were up 0.1% d/d and 1.5% d/d. Nikkei 225 was the outlier, inching down 0.1% d/d.
- In the bond space, Treasuries joined global rally with the oil price retreats allaying inflationary fears. The 2Y yield fell 5bps to 3.67%, while the 10Y slid 6bps to 4.22%. 10Y sovereign bond yields dropped 3-6bps in Europe.
- In the FX pace, the risk on sentiment saw the DXY retreating from its YTD high to 99.71 (-0.7% d/d). All G10 currencies strengthened against the greenback led by NZD (1.5% d/), SEK (1.5% /d) and AUD (1.3% d/d to 0.7072), the latter amid wide expectations for a 25bps rate hike by the RBA today. Regional currencies closed mixed against the greenback, but CNH, MYR and SGD strengthened 0.2-0.4% to 6.8890, 3.9285 and 1.2778 respectively.

Deceleration in IPI growth for the US, softer factory activities for the New York region but improved builder confidence

- Although better than expected, industrial production (IP) slowed sharply to 0.2% m/m in February (prior: 0.7% m/m). Softer growth was observed for manufacturing (0.2% m/m vs 0.8% m/m) and mining, while output for utilities turned contractionary due to natural gas. Capacity utilization remained unchanged at 76.3%, 3.1ppts below its long-run average. As it is, there has been signs of a nascent recovery

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	46,946.41	0.83
S&P 500	6,699.38	1.01
NASDAQ	22,374.18	1.22
Stoxx Eur 600	598.47	0.44
FTSE 100	10,317.69	0.55
Nikkei 225	53,751.15	-0.13
CSI 300	4,671.56	0.05
Hang Seng	25,834.02	1.45
Straits Times	4,868.69	0.00
KLCI 30	1,696.56	-0.13
FX		
Dollar Index	99.71	-0.65
EUR/USD	1.1505	0.77
GBP/USD	1.3320	0.68
USD/JPY	159.07	-0.41
AUD/USD	0.7072	1.30
USD/CNH	6.8890	-0.25
USD/MYR	3.9285	-0.23
USD/SGD	1.2778	-0.40
USD/KHR	4,014.00	0.00
USD/THB	32.51	0.67
Commodities		
WTI ($/bbl)	93.50	-5.28
Brent ($/bbl)	100.21	-2.84
Gold ($/oz)	5,002.20	-1.18
Copper ($/MT)	12,855.50	0.59
Aluminum($/MT)	3,395.50	-1.28
CPO (RM/tonne)	4,501.00	0.44

Source: Bloomberg, HLBB Global Markets Research
** Closing as of 13 Mar for CPO*

in the sector before the Iran war, with businesses largely taking advantage of the One Big Beautiful Bill Act.

- Separate data by the New York Fed showed that factory activity in the region worsened (Empire Manufacturing index: -7 points to -0.2 in March) even as employment and orders growth improved slightly and capital spending expectations were the strongest in more than three years.
- The NAHB Housing Market Index, a measure of builder confidence, improved 1ppt to 38 in March. That said, there are signs of market cooling with 37% of builders cutting prices to boost sales, up slightly from 36% in February.

China's February data beat forecasts but growth momentum remains soft

- YTD economic data fared better than forecast, although growth momentum remains stuck in low gear and as such, we opine that more work needs to be done to support the domestic economy and achieve this year's growth target of 4.5-5.0%. Imbalance between external and domestic demand persist, the former seeing industrial output growing by 6.3% YTD. Hi-tech manufacturing continues to perform, while crackdowns on domestic price competition saw auto output slowing during the month.
- Domestic demand was more complex, but at the core, the property market (property investment: -11.1% YTD) malaise continues to hold back domestic demand recovery although there were some silver linings. The contraction in new and used home prices narrowed for at least two months to 0.3% m/m and 0.4% m/m in February (prior: -0.4% m/m and -0.5% m/m).
- Fixed asset investment rebounded to 1.8% YTD from -3.8% y/y in 2025, strongly led by public sector (7.7% y/y) rather than private investment (-2.6% y/y). Retail sales grew by 2.8% y/y, with a clear drag from autos, petroleum products and construction materials in line with the slower property market and transition to EVs. Other sub-indicators were more encouraging but with the trade-in policy's scale diminishing this year and last year's high base effects, sales of communication devices, household appliances, and furniture are expected to slow in the coming months.

House View and Forecasts

FX	This Week	1Q-26	2Q-26	3Q-26	4Q-26
DXY	98-102	96.71	95.13	94.70	95.49
EUR/USD	1.15-1.17	1.20	1.22	1.22	1.21
GBP/USD	1.31-135	1.36	1.37	1.37	1.35
USD/CHF	0.76-0.80	0.78	0.78	0.78	0.78
USD/JPY	156-162	153	149	147	147

AUD/USD	0.69-0.72	0.68	0.69	0.70	0.69
NZD/USD	0.57-0.61	0.58	0.59	0.59	0.58
USD/CNY	6.87-6.93	6.90	6.83	6.85	6.90
USD/MYR	3.89-3.97	4.00	3.97	3.97	4.00
USD/SGD	1.26-1.29	1.26	1.23	1.23	1.24
USD/THB	31.50-32.50	32.2	32,1	32.0	30.8

FX	Last close	1Q-26	2Q-26	3Q-26	4Q-26
EUR/MYR	4.4982	4.78	4.82	4.85	4.84
GBP/MYR	5.2043	5.44	5.45	5.45	5.41
AUD/MYR	2.7596	2.72	2.75	2.78	2.76
CNY/MYR	0.5700	0.58	0.58	0.58	0.58
SGD/MYR	3.0676	3.17	3.21	3.23	3.22

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: HLBB Global Markets Research

Up Next

Date	Events	Prior
17-Mar	SI Non-oil Domestic Exports YoY (Feb)	9.30%
	AU RBA Cash Rate Target	3.85%
	EC ZEW Survey Expectations (Mar)	39.4
	US New York Fed Services Business Activity (Mar)	-25.7
	US Leading Index (Feb)	-0.20%
	US Pending Home Sales MoM (Feb)	-0.80%
18-Mar	AU Westpac Leading Index MoM (Feb)	-0.05%
	JN Trade Balance (Feb)	-¥1152.6b
	EC CPI Core YoY (Feb F)	2.40%
	US MBA Mortgage Applications	3.20%
	US PPI Final Demand YoY (Feb)	2.90%
	US Factory Orders (Jan)	-0.70%
	US FOMC Rate Decision (Upper Bound)	3.75%

Source: Bloomberg

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