

15 April 2025

Global Markets Research

Daily Market Highlights

15 Apr: All eyes on the minutes of RBA policy meeting

Trump's tariff relief for some consumer electronics lifted appetite for global equities

Treasuries reversed its sell-off, DXY closed below 100-handle

Jump in China's exports ahead of more tariff hikes; uptick in US inflation expectations

- The White House's tariff reprieve for key consumer electronics lifted sentiment, boosted appetite for tech stocks and sent equity indices from the US to Europe and Asia closing higher overnight. Car makers also rallied after Trump floated exemptions for autos and parts, sending the 3 US major averages closing up in tune to 0.6-0.8% d/d overnight, Stoxx Eur 600 rallying 2.7% d/d, while Hang Seng led gains in Asia at +2.4% d/d.
- In the bond space, Treasuries reversed its 5-day sell-off and yields fell 6-12bps across the curve. Both the 2Y and 10Y yields closed the day 12bps lower at 3.85% and 4.37% respectively, while 10Y European bond yields also dropped 2-13bps.
- In the forex space, tariff concerns on US growth continue to weigh on the Dollar, resulting in the greenback trading weaker against most of its G10 peers and DXY sliding 0.5% d/d to 99.64. Outperforming the Dollar were GBP (+0.8% d/d to 1.3190), JPY (+0.3% d/d to 143.06) and AUD (+0.6% d/d to 0.6328), while EUR closed just below its flatline at 1.1351.
- Regional currencies also closed mixed against the Dollar, with CNH depreciating 0.3% d/d to 7.3116, while MYR and SGD strengthened 0.3% d/d each to 4.4125 and 1.3155 respectively.
- In the commodity space, trading in the crude oil was steadier, as traders weighed on the impact of the US-China trade war and potentially looser restrictions on Iranian crude. Despite OPEC cutting its demand growth forecast for this year by about 100k barrels/day, the WTI closed 0.1% d/d higher at \$61.53/barrel, while Brent rose 0.2% d/d to \$64.88/barrel.

Higher than expected 1Y inflation expectations for the US

- The New York 1Y inflation expectations jumped more than expected to 3.6% in March (Feb: 3.1%), but longer-term inflation expectation was unchanged at 3.0% for the 3Y and fell 0.1ppts to 2.9% for the 5Y. As it is, policy makers will be closely monitoring these data to assess if Trump's sweeping tariff could translate into persistent inflation pressures.

Key Market Metrics

	Level	d/d (%)
Equities		
Dow Jones	40,524.79	0.78
S&P 500	5,405.97	0.79
NASDAQ	16,831.48	0.64
Stoxx Eur 600	499.89	2.69
FTSE 100	8,134.34	2.14
Nikkei 225	33,982.36	1.18
CSI 300	3,759.14	0.23
Hang Seng	21,417.40	2.40
Straits Times	3,548.91	1.04
KLCI 30	1,480.86	1.79
FX		
Dollar Index	99.64	-0.46
EUR/USD	1.1351	-0.04
GBP/USD	1.3190	0.79
USD/JPY	143.06	-0.33
AUD/USD	0.6328	0.62
USD/CNH	7.3116	0.33
USD/MYR	4.4125	-0.27
USD/SGD	1.3155	-0.27
Commodities		
WTI (\$/bbl)	61.53	0.05
Brent (\$/bbl)	64.88	0.19
Gold (\$/oz)	3,204.80	-0.54
Copper (\$\$/MT)	9,187.00	0.36
Aluminum(\$/MT)	2,374.00	-0.94
CPO (RM/tonne)	4,420.00	-2.21

Source: Bloomberg, HLBB Global Markets Research
* CPO dated as of 11 April

Jump in China's exports as businesses front-loaded

- Exports jumped more than expected by 12.4% y/y in March (Feb: -3.0% y/y) as businesses kept frontloading outbound shipments to avoid prohibitive US tariffs, while imports declined at a faster pace than expected -4.3% y/y (prior: +1.5% y/y), as domestic demand continued to remain sluggish.
- The latest data bodes well for 1Q GDP calculation due to be released later in the week, where consensus is expecting it to remain robust at +5.2% y/y (4Q: 5.4% y/y). That said, with the strong exports data likely to be short-lived and will face additional headwind from the higher tariffs starting April, Beijing's ambitious annual growth target of "around 5%" remains at risk especially since domestic consumption has remained lacklustre. As it is, consensus is pencilling growth of only 4.5% for 2025.

House View and Forecasts

FX	This Week	2Q-25	3Q-25	4Q-25	1Q-26
DXY	99-103	99.70	98.35	97.01	95.70
EUR/USD	1.19-1.14	1.14	1.15	1.17	1.19
GBP/USD	1.28-1.32	1.31	1.32	1.33	1.34
USD/CHF	0.79-0.88	0.81	0.80	0.79	0.78
USD/JPY	141-148	142	139	136	133
AUD/USD	0.60-0.64	0.62	0.62	0.63	0.64
NZD/USD	0.54-0.60	0.57	0.57	0.58	0.58
USD/CNY	7.25-7.34	7.43	7.35	7.28	7.21
USD/MYR	4.42-4.50	4.54	4.50	4.47	4.40
USD/SGD	1.31-1.35	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	3.5-3.50
ECB	2.50	2.25	2.00	2.00	2.00
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: HLBB Global Markets Research

Up Next

Date	Events	Prior
15-Apr	AU RBA Minutes of April Policy Meeting	
	UK Average Weekly Earnings 3M/YoY (Feb)	5.80%
	UK ILO Unemployment Rate 3Mths (Feb)	4.40%
	UK Payrolled Employees Monthly Change (Mar)	21k
	EC ZEW Survey Expectations (Apr)	39.8
	EC Industrial Production SA MoM (Feb)	0.80%
	US Empire Manufacturing (Apr)	-20
	US Import Price Index YoY (Mar)	2.00%

16-Apr	JN Core Machine Orders MoM (Feb)	-3.50%
	AU Westpac Leading Index MoM (Mar)	0.07%
	CH New Home Prices MoM (Mar)	-0.14%
	CH Used Home Prices MoM (Mar)	-0.34%
	CH GDP YoY (1Q)	5.40%
	CH Industrial Production YTD YoY (Mar)	5.90%
	CH Retail Sales YTD YoY (Mar)	4.00%
	CH Fixed Assets Ex Rural YTD YoY (Mar)	4.10%
	CH Surveyed Jobless Rate (Mar)	5.40%
	UK CPI Core YoY (Mar)	3.50%
	UK House Price Index YoY (Feb)	4.90%
	EC CPI Core YoY (Mar F)	2.40%
	US MBA Mortgage Applications	20.00%
	US Retail Sales Advance MoM (Mar)	0.20%
	US New York Fed Services Business Activity (Apr)	-19.3
	US Industrial Production MoM (Mar)	0.70%
	US NAHB Housing Market Index (Apr)	39

Source: Bloomberg

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