Weekly Macro Views (WMV)

OCBC Group Research

06 April 2026

Weekly Macro Update

Key Global Data for this week:

06 Apr	07 Apr	08 Apr	09 Apr	10 Apr
• **IN** HSBC PMI Composite, HSBC PMI Services • **US** ISM Services Index, ISM Services Prices Paid, ISM Services New Orders, ISM Services Employment	• **AU** PMI Composite, PMI Services • **JN** Household Spending YoY • **AU** Melbourne Institute Inflation YoY, Household Spending YoY • **TH** CPI YoY, Core CPI YoY • **EC** Sentix Investor Confidence • **US** ADP Weekly Employment Change, NY Fed 1Y Inflation Expectations	• **US** Consumer Credit, MBA Mortgage Applications • **SK** BoP CA Balance, BoP Goods Balance • **JN** Real Cash Earnings YoY, Labor Cash Earnings YoY, BoP CA Balance • **PH** Unemployment Rate • **IN** RBI Repurchase Rate • **ID** Foreign Reserves • **EC** PPI YoY, Retail Sales YoY	• **US** FOMC Meeting Minutes, GDP Annualised QoQ, PCE YoY, Core PCE YoY • **US** Initial Jobless Claims, Continuing Claims, Personal Income, Personal Consumption, Real Personal Spending • **MA** IP YoY, Mfg Sales Value YoY • **AU, HK** Foreign Reserves • **TH** Consumer Confidence Economic	• **JN** PPI YoY • **CH** PPI YoY, CPI YoY • **ID** Consumer Confidence Index • **US** Real Avg Hourly Earning YoY, CPI YoY, Core CPI YoY • **US** U.Mich 1Y Inflation, U.Mich 5-10Y Inflation, U.Mich Current Conditions, U.Mich Expectations • **US** Durable Goods Orders

Summary of Macro Views:

Global	• **Global:** Escalating US-Iran tensions amid increasing military strikes • **US:** Strong NFP print in March • **EU:** CPI inflation skewed to the upside as energy prices soar
Asia	• **CH:** Reflation process accelerated • **IN:** RBI in focus • **ID:** New rationalisation measures in place • **ID:** Higher fuel prices on the cards?

Asia	• **ID:** Watching price pressures • **TH:** Mixed February economic activity • **VN:** Growth moderates as risks build
Asset Class	• **FX & Rates**: De-escalation Hopes Questioned

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Global: Central Banks

Forecast – Key Rates

Reserve Bank of New Zealand	Reserve Bank of India (RBI)	Bank of Korea (BoK)
Wednesday, 8th April	**Wednesday, 8th April**	**Friday, 10th April**

House Views

Cash Rate	*Repurchase Rate*	*7D Repo Rates*
Likely hold at 2.25%	**Likely hold at 5.25%**	**Likely hold at 2.50%**

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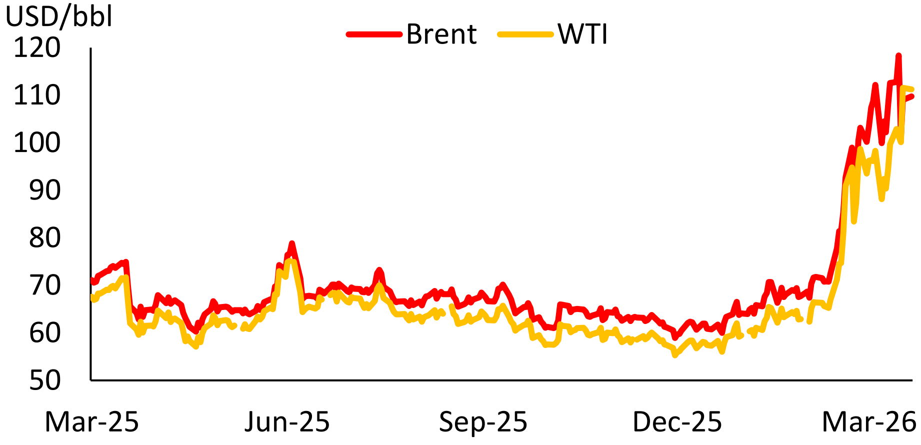
Source: OCBC Group Research.

Global: Escalating US-Iran tensions amid increasing military strikes

- Diplomatic tensions continued to escalate alongside military actions. US President Trump issued explicit ultimatums, threatening US strikes on Iran's power plants and bridges if the Strait of Hormuz is not reopened by Tuesday, 8 April at 8:00 PM ET. International mediators are attempting a last-minute push for a 45-day ceasefire, though chances of success in the near term remain limited. Risks of regional spillovers rose after a strike near Iran's Bushehr nuclear plant killed a guard, prompting Russia, an operator of the facility, to evacuate 198 workers and condemn the attack. Iran's foreign minister warned that continued strikes on Bushehr could cause radioactive fallout affecting GCC capitals more than Tehran, given the plant's proximity to Kuwait, Bahrain, and Qatar.

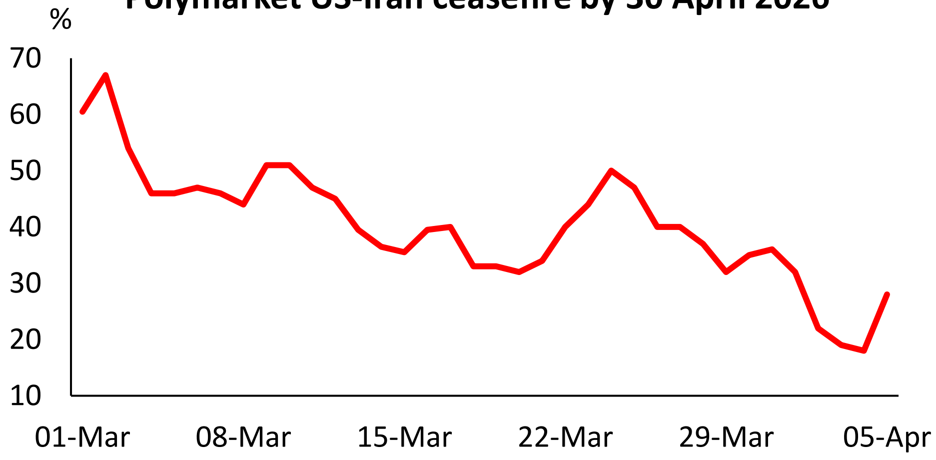
- An airstrike struck a residential building near Eslamshar, southwest of Tehran on 6 April, killing at least 13 people; neither the US nor Israel claimed responsibility. On 5 April, US-Israeli strikes hit multiple sites in Iran's Khuzestan province, including Ahvaz International Airport, as well as petrochemical facilities. Iran retaliated with missile and drone attacks on Israel and US allies in the Gulf, striking a residential building in Haifa and injuring four people, while debris from intercepted drones hit buildings in Dubai. Iran also attacked civilian infrastructure in Bahrain and Kuwait.

Oil prices



Source: Bloomberg, OCBC Group Research.

Polymarket US-Iran ceasefire by 30 April 2026



Source: Bloomberg, Polymarket, OCBC Group Research.

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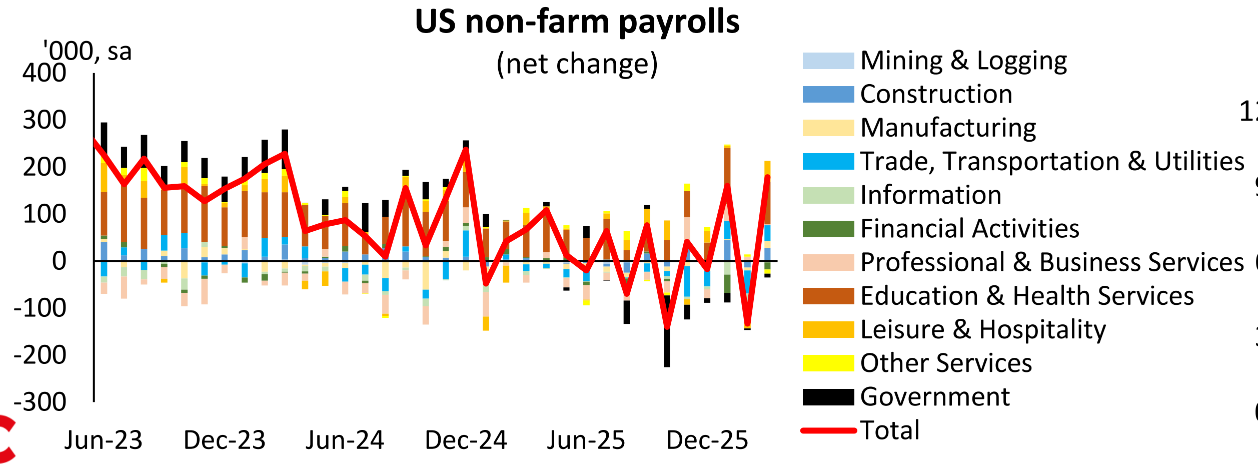
Source: Axios, Arab News, South China Morning Post, CNA, Polymarket, Bloomberg, OCBC Group Research.

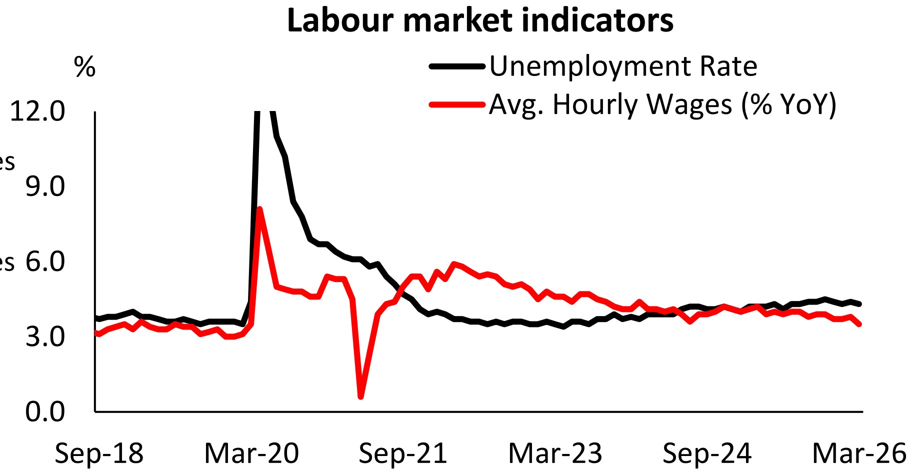
US: Strong NFP print in March

- US labour market data surprised to the upside in March, with nonfarm payrolls rising by 178k, the strongest gain since December 2024, following a downwardly revised -133k in February. The rebound was partly technical, reflecting normalization after strike- and weather-related disruptions. Healthcare accounted for a sizable share of job creation (+76k), including the return of 35k workers at doctors' offices following earlier strike actions. However, underlying dynamics were less supportive. The unemployment rate edged down to 4.3% from 4.4%, largely driven by a fall in the participation rate to 61.9%. Wage growth continued to cool, with average hourly earnings rising 0.2% MoM (vs. 0.4% previously) and slowing to 3.5% YoY, the weakest pace since May 2021.

- More positively, average job gains improved to 68.3k per month in 1Q26, up from 9.7k in 2025. Some forward-looking indicators also firmed, with the African American unemployment rate falling to 7.1% from 7.7%, an early signal that broader labour market stress remains contained. Together with still-stable jobless claims, this suggests labour market conditions are cooling but not deteriorating sharply, supporting the Fed's cautious, data-dependent approach amid rising stagflation risks.



Source: BLS, Bloomberg, OCBC Group Research.



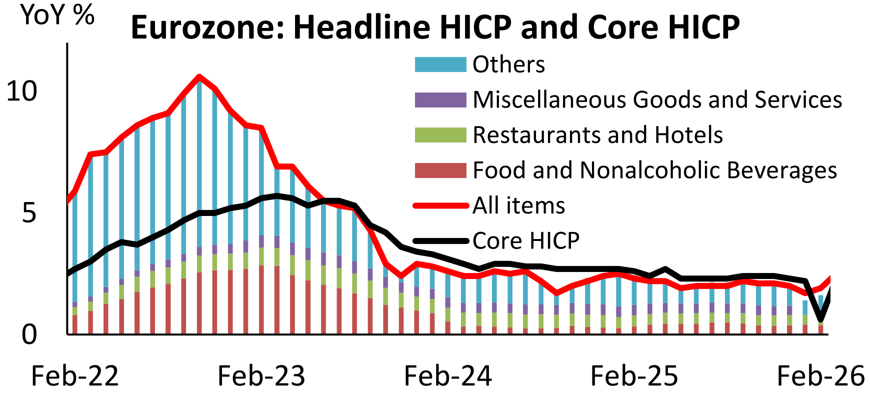
Source: BLS, Bloomberg, OCBC Group Research.

Source: BLS, Bloomberg, CEIC, OCBC Group Research.

EU: CPI inflation skewed to the upside as energy prices soar

- Headline CPI is expected to rise to 2.5% YoY in March 2026 from 1.9% YoY in February, according to a flash estimate from Eurostat. Notably, the energy component is expected to have increased by 4.9% YoY in March, compared with -3.1% in February, reflecting the impact of higher energy prices following the US-Israel conflict with Iran. This increase offsets softer inflation in services (3.2% from 3.4%) as well as food, alcohol and tobacco (2.4% from 2.5%). In its March 2026 staff macroeconomic projections, the ECB forecast inflation to rise to 2.6% in 2026, up from its December 2025 baseline projection of 1.9%, while GDP growth is expected to slow to 0.9%, vs 1.2% previously expected.

- Elsewhere, the Eurozone Economic Sentiment Indicator (ESI) dropped to 96.6 in March 2026, down from a revised 98.2 in February and missing market consensus of 96.8. The decline was fueled by rising inflation expectations tied to the Middle East conflict, with consumer confidence plunging (-16.3 vs -12.3) as inflation fears surged 17.2 points to 43.4 – the highest since July 2022. Retail sentiment also weakened (-7.2 vs -5.2) while service sector confidence held steady (4.9 vs 5.0). Manufacturers saw a slight improvement (-7.0 vs -7.2) though their selling price expectations jumped 7.4 points to 19.7, the highest in three years. Among major economies, the ESI fell sharply in France (-3.7) and Spain (-2.4), while Germany remained stable (-0.1).



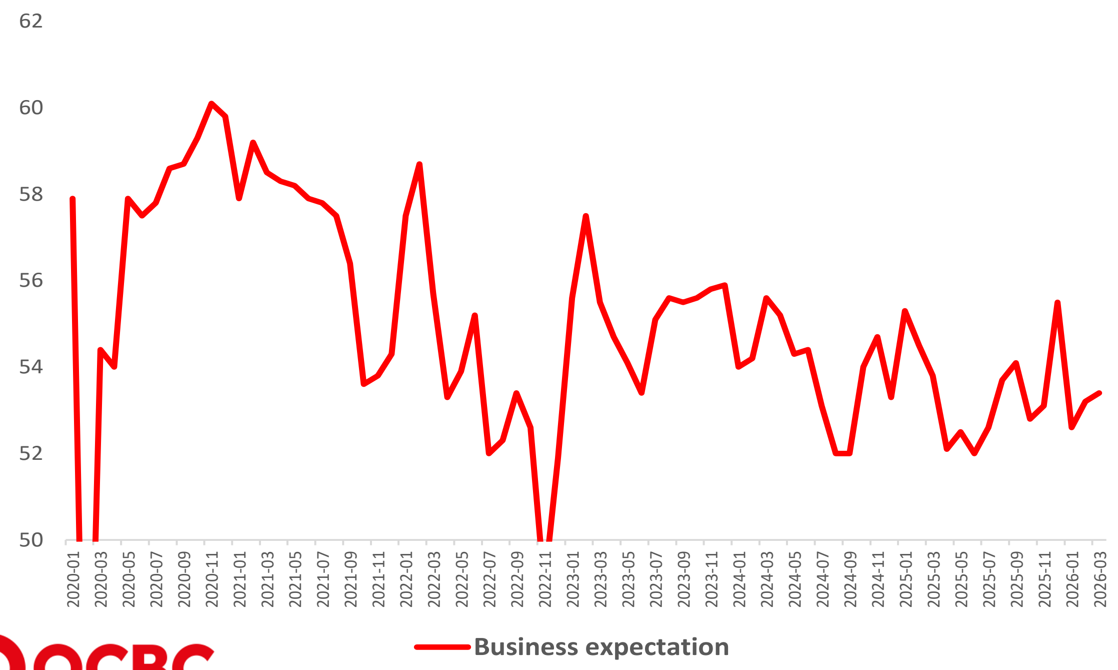
Source: Bloomberg, Eurostat, OCBC Group Research.

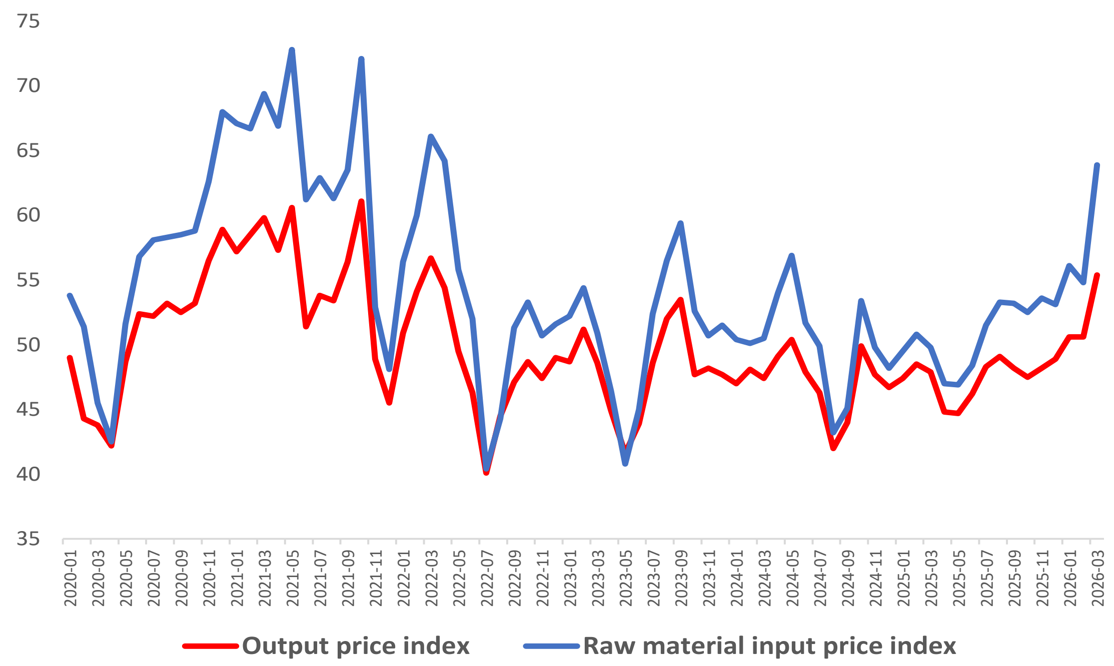
Source: Bloomberg, CNBC, European Commission, Eurostat, OCBC Group Research.

Eurozone Economic Index								
	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25
Economic Sentiment	96.6	98.2	99.2	97.0	97.3	97.2	96.1	95.6
Business Confidence	-7.0	-7.2	-6.8	-8.6	-8.9	-8.0	-9.9	-9.9
Consumer Confidence	-16.3	-12.3	-12.5	-13.2	-12.9	-12.6	-13.4	-14.0
Service Confidence	4.9	5.0	6.8	5.4	5.6	4.2	4.1	3.6
Retail Confidence	-7.2	-5.2	-5.9	-6.8	-5.6	-6.8	-7.6	-6.2
Construction	-2.0	-2.2	-1.3	-1.1	-1.2	-2.2	-3.0	-3.2
Source: Bloomberg, European Commission, OCBC Group Research.								

China: Reflation process accelerated

- China's manufacturing PMI rebounded meaningfully in March, rising to 50.4 from 49.0 in February. The raw materials input price index surged to 63.9 in March, up 9.1ppts from the previous month, marking the sharpest increase since the post-COVID commodity spike. Meanwhile, the output price index also rose sharply to 55.4 from 50.6, reaching its highest level since March 2022. The simultaneous rise in both input and output prices suggests that producers were able to pass through at least part of the higher cost burden downstream. In our view, this is an encouraging signal for China's reflation process. We project China's PPI to rise 0.4% YoY in March, which would mark its first positive print in 40 months.

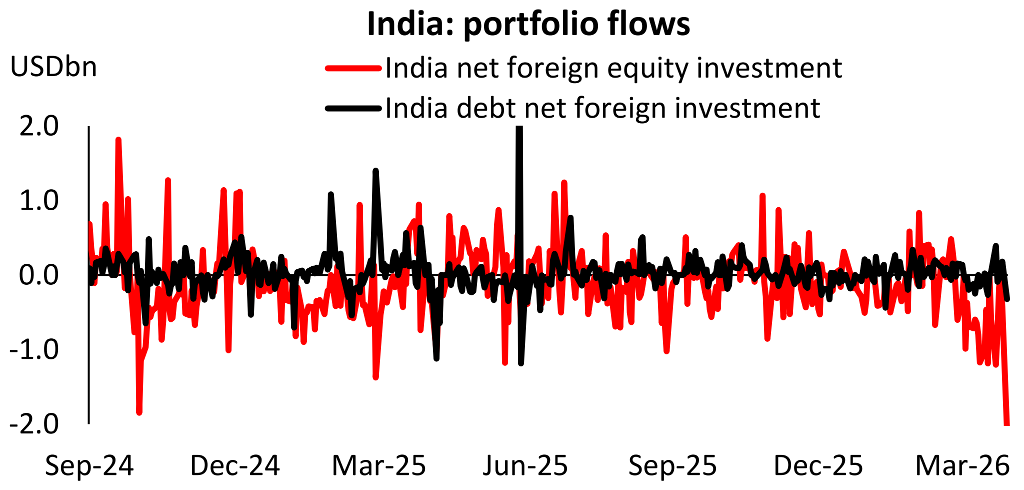




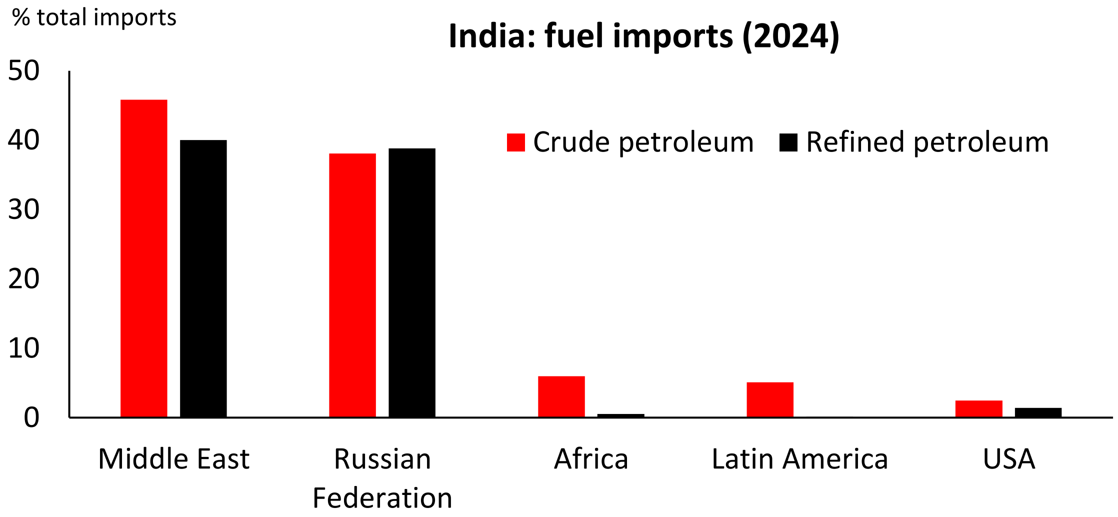
Source: Bloomberg, OCBC Group Research.

India: RBI in focus

- The Reserve Bank of India’s (RBI) meeting on 8 April will be closely watched on account of heightened macro vulnerabilities from higher oil prices, volatile capital flows and persistent INR depreciation pressures.
- We expect the RBI to turn more hawkish at its 8 April meeting. This is less to manage inflation and inflation expectations but more to handle capital flows, which have been volatile and low. It is possible for RBI to re-open Foreign Currency Non-Resident (FCNR) deposits, increases OMO activity and implement stricter rules to observe capital flows.
- The risks from higher oil prices will be less obvious on inflation as retail fuel prices remain unchanged but more visible in a substantially higher import bill and higher fiscal slippage risks. The latter will add to the volatile market sentiment.



Source: Bloomberg; OCBC Group Research.



Source: UNComtrade; OCBC Group Research.

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Source: Bloomberg, UNComtrade OCBC Group Research.

Indonesia: New rationalisation measures in place

- We estimate that if global oil prices average USD100/barrel, the fuel subsidy bill will increase by 0.5-0.6% of GDP. The budget assumption for Indonesia Crude Price is USD70/barrel.
- Should rise price rises to USD120/barrel, the subsidy bill can be 0.8%-0.9% of GDP more than budgeted (0.3% of GDP by our estimates).
- The government announced various measures to cutback on fuel consumption as well as streamline budget efficiencies, which are expected to save IDR243.3trn (0.9% of GDP).

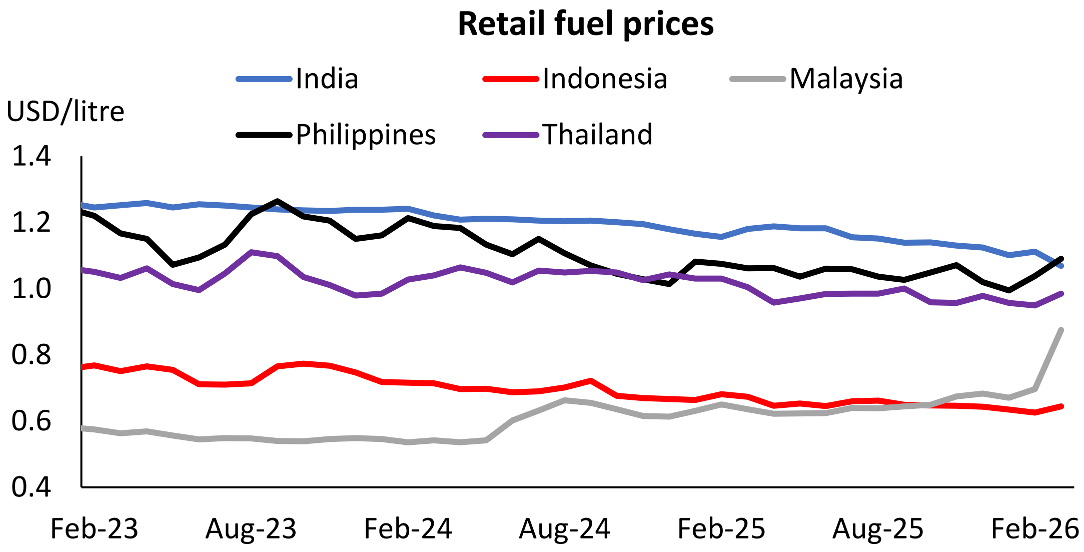
Measures announced on 31 March 2026
Mandatory Friday work-from-home policy for all central and regional employees, with exemptions for essential sectors such as healthcare, security, and logistics.
Budget refocusing exercise, reducing spending on ceremonial activities, non-operational outlays, and official travel,
The rollout of a 50% biodiesel blend (B50) for subsidized diesel from 1 July 2026
The authorities will also limit subsidized fuel purchases at 50 liters per vehicle per day, with exemptions for public transportation; this will be effective on 1 April 2026
Official mobility is being sharply curtailed, with domestic official travel and overseas travel reduced by 50% and 70%, respectively. Moreover, there will be a 50% reduction in the usage of official vehicles, except for electric vehicles (EVs).
Source: OCBC Group Research.

Soure: CEIC; OCBC Group Research.

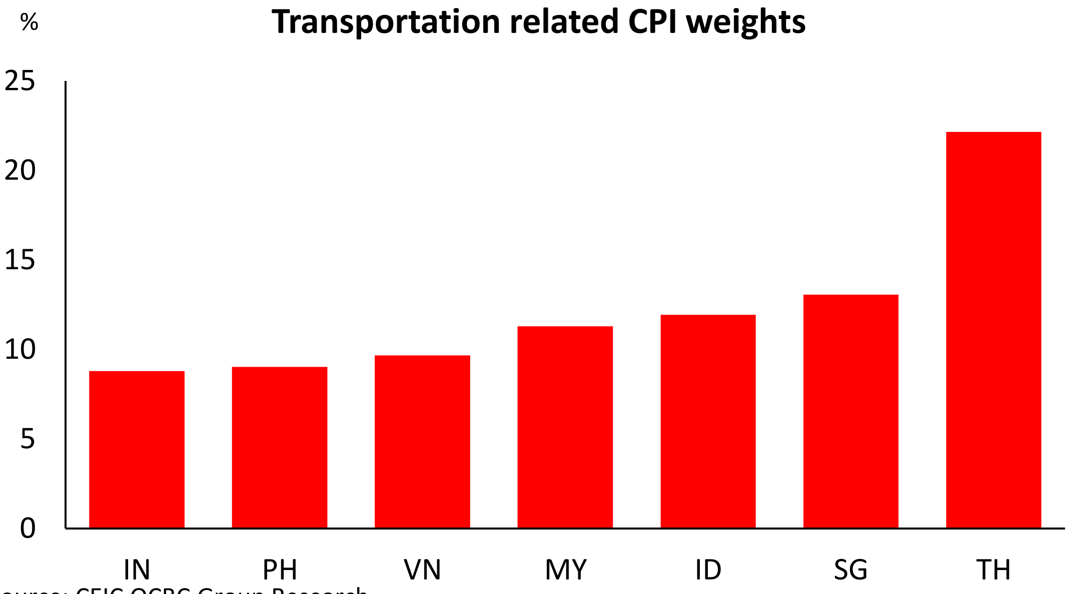
Source: CEIC, OCBC Group Research.

Indonesia: Higher fuel prices on the cards?

- Retail fuel prices are one of the lowest in the region. The authorities stated that they will maintain retail fuel prices at this juncture. However, if the disruptions in the Middle East persist, an adjustment to retail fuel prices and/or further volume restrictions for fuel usage cannot be ruled out.
- The inflation component related to transportation is non-negligible at ~12%. However, with fertilizers increasing, the prices of food items could also face upward pressures.



Note: This is the average of retail prices of most used fuels.
Source: CEIC, OCBC Group Research.



Source: CEIC,OCBC Group Research.

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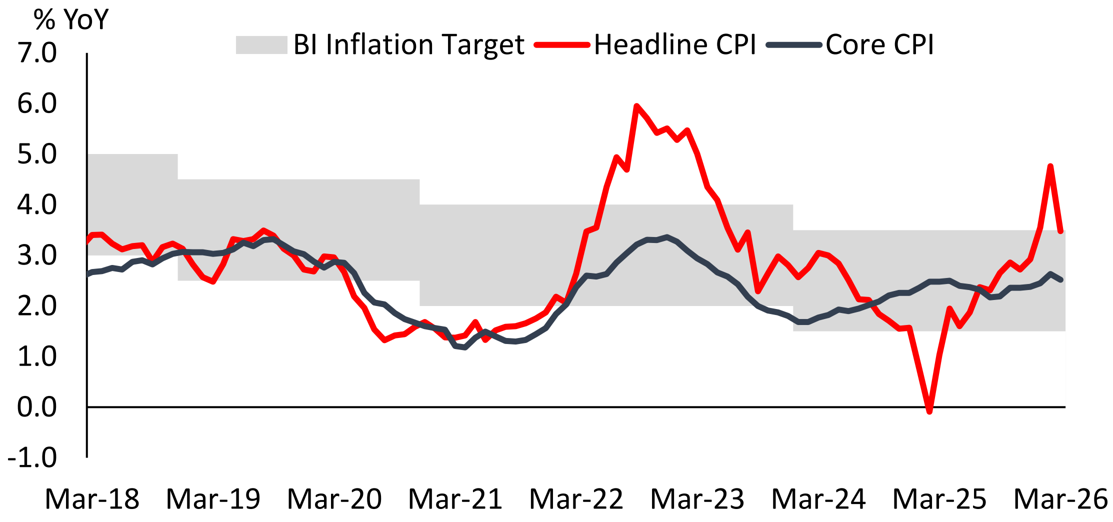
Source: CEIC, OCBC Group Research.

Indonesia: Watching price pressures

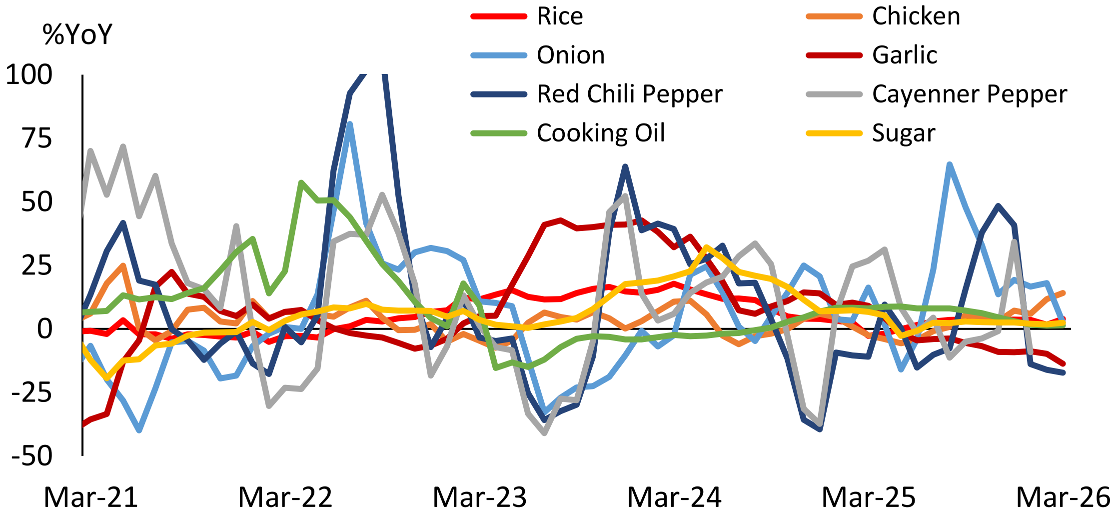
- Headline CPI inflation eased to 3.5%YoY in March from 4.8% in February, reflecting lower utilities in inflation as the base effects from the electricity price discounts in January and February 2025 faded. Food inflation has, however, remained sticky at 3.3% YoY in March versus 3.5% in February with core inflation easing marginally to 2.5% from 2.6% in February.
- With retail fuel prices unchanged for the moment, the knock-on impact of higher global oil prices will likely be reflected on food and other transportation components.
- Looking ahead, we maintain our average 2026 headline CPI forecast of 3.0% which is at the higher end of BI’s 1.5-3.5% target range.

Inflation versus target range



Source: BPS, Bloomberg, OCBC Group Research.

Monthly Food prices

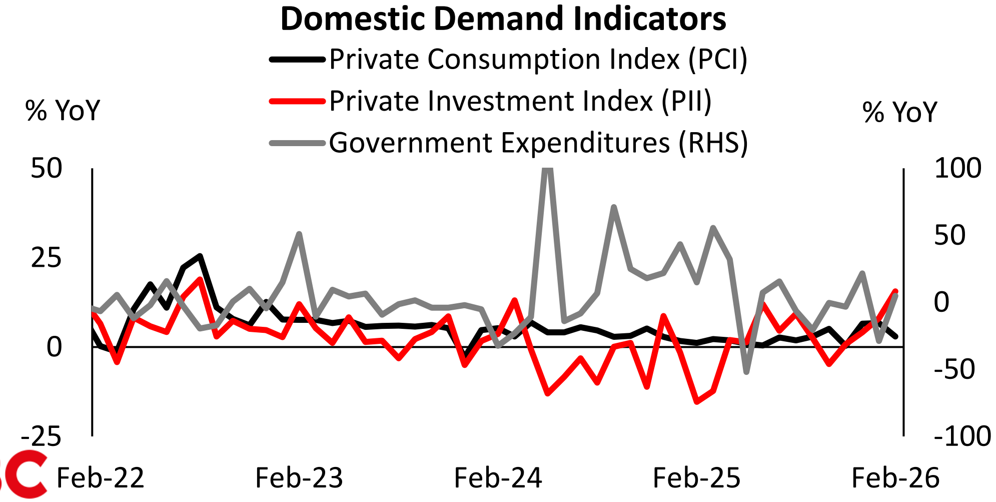


Note: Prices based on averaged daily food prices. Source: BI, CEIC, OCBC Group Research.

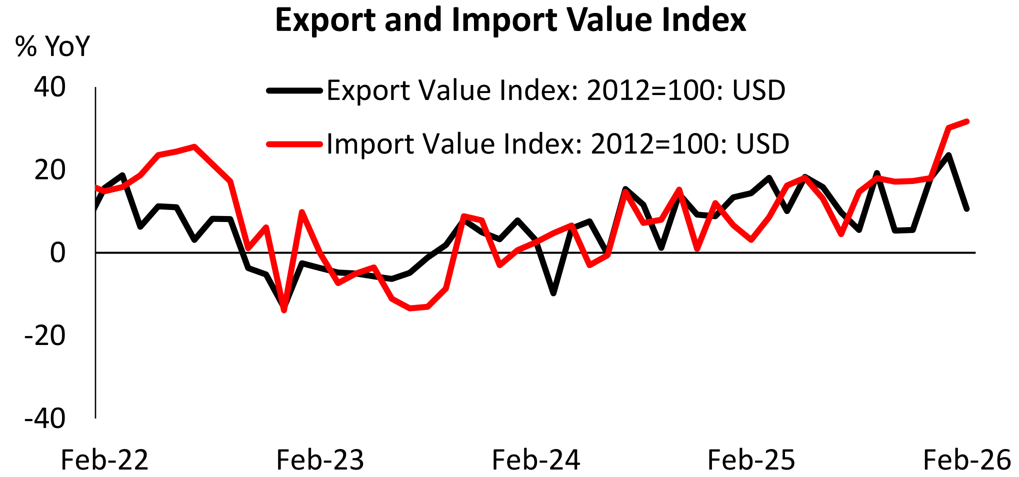
Source: BI, BPS, Bloomberg, CEIC, OCBC Group Research.

Thailand: Mixed February economic activity

- Economic activity data was mixed, with export growth softening. Similarly, domestic demand indicators also showed mixed signals. The private consumption index eased to 2.9% YoY from 6.7% in January, while government spending rose by 5.0% YoY from -28.7% in the previous month. Growth in private investment index accelerated to double-digit figures, reaching 15.5% YoY, up from 8.0% in January, marking four consecutive months of expansion.
- Consistent with the expansion in domestic demand, import growth remained robust at 31.7% YoY, up from 30.1% in January. In contrast, export growth slowed to 10.6% YoY from 23.6% in January. Consequently, the trade balance shifted into a surplus of USD0.6bn, compared to a deficit of USD0.7bn in January. Taken together with the January data, our tracking estimate suggests that the growth is expected to slow modestly to 2.2% YoY versus 2.5% in 4Q25.
- His Majesty King Maha Vajiralongkorn has endorsed the 35-member cabinet, led by PM Anutin Charnvirakul. The next step will be for the newly-formed cabinet to immediately address the country's pressing challenges from the energy crisis. Economic growth prospects are dimming due to headwinds from the ongoing war in the Middle East. We revised downward our 2026 GDP growth forecast of 1.5% YoY, down from our previous forecast of 2.0%.



Source: Bank of Thailand, CEIC, OCBC Group Research.



Source: Bank of Thailand, CEIC, OCBC Group Research.

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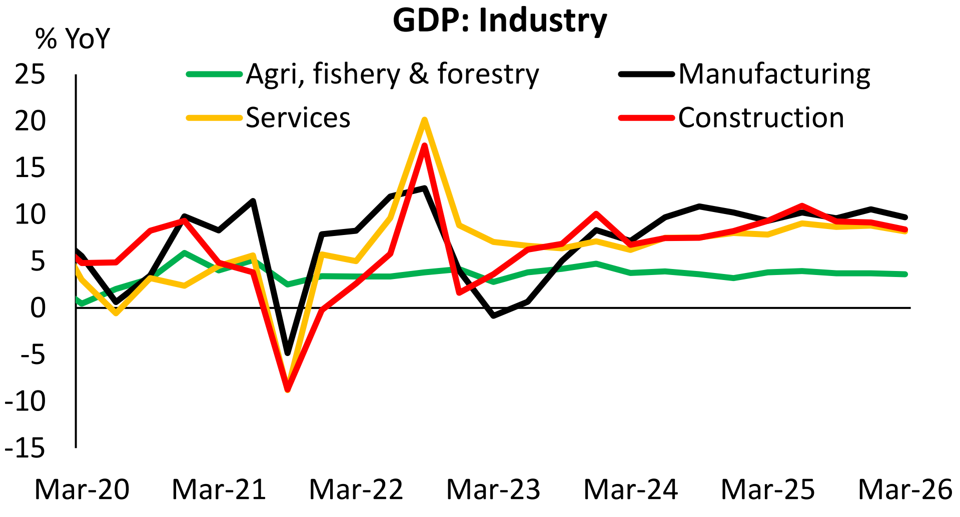
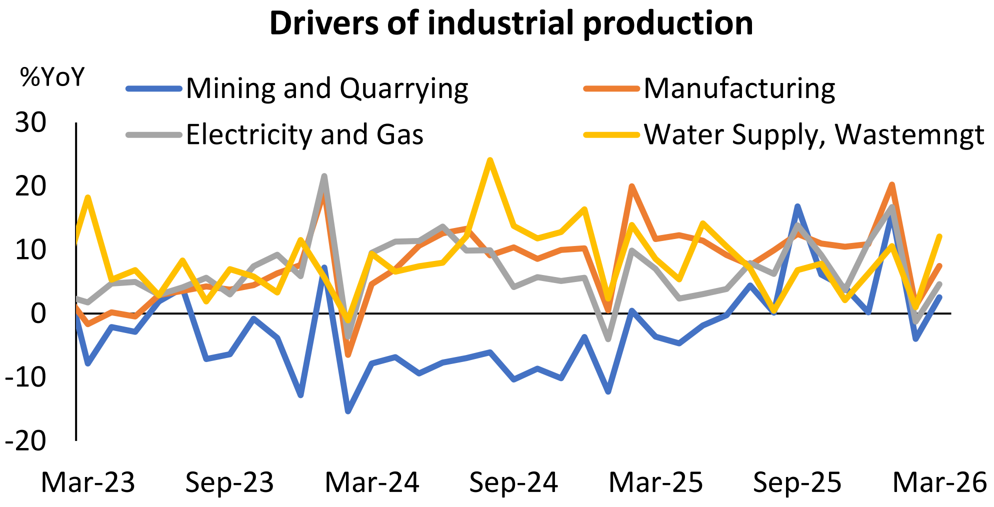
Source: Bank of Thailand, CEIC, OCBC Group Research.

Vietnam: Growth moderates as risks build

- Economic growth moderated in 1Q26, with GDP easing to 7.8% YoY, down from 8.5% in 4Q25. The slowdown was relatively broad-based across major sectors, including services (8.2% YoY in 1Q26 from 8.8% in 4Q25), industry and construction (8.9% from 9.7%), and agriculture, forestry and fisheries (3.6% from 3.7%). Nonetheless, manufacturing activity remained resilient, with output growth at 9.7% YoY (from 10.6% previously), signalling sustained momentum in industrial production. Indeed, the industrial production index (IPI) rose 9.0% YoY in the first three months of 2026, compared with 7.8% over the same period last year, signalling continued strength in the industrial cycle.
- Looking ahead, we maintain our 2026 GDP growth forecast at 7.3%, following an earlier downward revision from 7.5%, reflecting the drag from elevated global oil prices on household consumption and export competitiveness. Vietnam remains exposed to inflation through direct oil price pass-through, despite the petroleum price stabilisation fund. We remain comfortable with our 2026 CPI forecast to 4.5%. SBV is expected to remain on hold, with the policy rate at 4.50%, although rate hikes cannot be ruled out should inflationary pressures intensify, particularly given USD/VND sensitivities tied to Vietnam's status as a net energy importer.



Source: GSO, CEIC, OCBC Group Research.



Source: GSO, CEIC, OCBC Group Research.

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FX & Rates

FX & Rates: De-escalation Hopes Questioned

- **De-escalation Hopes Questioned:** Markets have leaned into de-escalation hopes, easing oil and rate pricing. But signs from the Strait of Hormuz point to controlled disruption, not resolution—leaving recent optimism looking vulnerable.

- **Oil Re-anchors USD:** Oil, not policy, is driving the USD. The greenback is regaining support from energy prices, stabilising US labour markets and safe-haven demand, limiting downside even if oil eventually declines.

- **Asian FX** continued to trade modestly softer as markets weighed President Trump's re-escalation threat. Technically, THB's weakening may seem stretched while on SGD, 2-way trades are likely.

- **GBP Holds Ground, For Now:** GBP stays supported by risk asset relief and earlier BoE hawkish repricing, but BoE Governor Bailey's pushback and rising fiscal expansion risks temper the GBP outlook.

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Source: Bloomberg, OCBC Group Research.

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