

Market commentary

Top Economics News

March 2026



Malaysia

- ▶ Bank Negara has set the GDP growth outlook for 2026 at 4.0-5.0% with an inflation rate of 1.5-2.5%. This is on baseline assumptions of (i) the Iran conflict lasting only 1-2 months and (ii) an avg oil price at US\$70-90/bbl for the year.
- ▶ Malaysia's labour market continued to see steady improvement in Jan. Employment rebounded marginally by +0.04% MoM (Dec: -1.9%), supported by broad-based expansion across all sectors. The labour force recorded an uptick of +0.1% MoM (Dec: -1.9%). Meanwhile, the number of unemployed persons rose marginally by +0.3% MoM (Dec: -2.0%). Following this, the unemployment rate held steady at 2.9% (Dec: 2.9%). (HLIB Research).

United States

- ▶ US labor market posts largest jobs gain in 15 months, but clouds brewing from Iran war. U.S. job growth rebounded more than expected in March as a strike by healthcare workers ended and temperatures warmed up, but downside risks for the labour market are mounting from a war with Iran that has no clear end in sight. (Reuters)
- ▶ US Consumer confidence rises, but job openings and hiring drop sharply. U.S. consumer confidence unexpectedly edged up in March, but households remained downbeat on the labor market and anticipated higher inflation over the next 12 months amid a surge in gasoline prices and continued tariff pass-through. (Reuters)

Euro: Sovereign Debt Crisis Update

- ▶ The Eurozone is entering a renewed inflationary phase. Headline inflation was 2.5% in March and is expected to peak at around 3.5% in Q2, driven primarily by surging energy prices. Higher energy prices will likely feed through to other components, keeping headline inflation relatively high at 3% for the rest of this year. (Oxford Economics)
- ▶ ECB's Next Move Is Likely A Rate Rise, But Timing Unclear. The European Central Bank's next move is likely to be a rate rise, but it is too early to be sure when that might be necessary as the conflict in the Middle East continues, the head of the Bank of France said. The ECB last month left its key interest rate unchanged at 2%, but set out a number of ways in which developments in the conflict might affect the eurozone's economic outlook. Under the adverse scenario, disruptions to the transport of oil and gas through the Strait of Hormuz would continue through the second quarter, with energy prices remaining high. In that eventuality, the ECB's economists forecast that inflation would average 3.5% this year, well above its 2% target. (Morningstar)

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