

Global Markets Research

Daily Market Highlights

Key Takeaways

- Following positive data flow from the US last Friday, **overnight upbeat economic releases from the Eurozone continued to keep markets optimistic on world growth prospects. Final print of PMI services was higher than initially estimated**, reflecting a smaller moderation from 55.8 in September to 55.0 in October. A separate survey by Sentix also showed investors sentiments rose further to 34.0 in November while producer prices staged a faster than expected pick-up to 2.9% YOY in September, offering the first glimpse of hope in recent months that inflation is finally finding a firmer footing.
- Yesterday's data also continued to bolster expectations the Japanese economy is gaining some traction. Nikkei PMI services rose to 53.4 in Oct from 51.0 a month ago. The strongest growth since Aug 2015 was led by the quickest expansion in new orders since May 2013, but rate of employment growth tapered.
- **USD tumbled against all G10s** while the Dollar Index fell in US morning following strong rallies in commodity majors to end the day 0.19% lower at 94.75. **Stay bullish on USD** supported by upside momentum stemming from positive data last Friday as well as refuge demand from potential extended weakness in European majors. Bullish bias still prevails and likely to support the Dollar Index's advance for another test at 95.15 going forward. Another rejection here, if any, is likely to trigger a drop to 93.56, otherwise, set sights on a climb to 96.20.
- **MYR advanced 0.12% to 4.2315 against USD** and climbed against 6 G10s, supported by continued rise in oil prices. **Expect a bullish MYR against a soft overnight USD**, supported by firmer risk sentiment in the markets and rising oil prices. USDMYR appears to have been rejected by key levels and currently completing a bearish pattern. The pair is now tilted downwards. Caution that closing below 4.2224 will trigger further losses to circa 4.2156.
- **SGD advanced 0.25% to 1.3615 against a soft USD** but fell against 7 G10s. **We turn bullish on SGD against a soft USD**, supported by firmer risk appetite in the markets. USDSGD direction is uncertain amid recent erratic movements through key levels. Overnight loss of 1.3629 and emergence of a bearish bias have again dented USDSGD's path towards 1.3822. The pair is now likely on the defensive, with scope to return to 1.3594.

Overnight Economic Data

EU
Japan
Australia



What's Coming Up Next

Major Data

- Malaysia foreign reserves
- EU Markit retail PMI, retail sales
- UK Halifax house price MOM

Major Events

- RBA monetary policy decision

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1575	1.1594	1.1611	1.1619	1.1633	↗
USDJPY	113.27	113.64	113.74	113.85	114.00	↘
GBPUSD	1.3100	1.3132	1.3170	1.3181	1.3193	↘
AUDUSD	0.7656	0.7675	0.7687	0.7700	0.7715	↗
EURGBP	0.8783	0.8800	0.8815	0.8823	0.8845	↗
USDMYR	4.2225	4.2233	4.2245	4.2267	4.2292	↘
EURMYR	4.9000	4.9036	4.9057	4.9167	4.9200	↘
JPYMYR	3.7078	3.7120	3.7143	3.7190	3.7255	↗
GBPMYR	5.5566	5.5600	5.5637	5.5738	5.5792	↗
SGDMYR	3.0980	3.1000	3.1023	3.1047	3.1073	↘
AUDMYR	3.2346	3.2396	3.2476	3.2497	3.2522	↘
NZDMYR	2.9227	2.9260	2.9328	2.9423	2.9513	↗
USDSGD	1.3594	1.3602	1.3619	1.3623	1.3642	↗
EURSGD	1.5754	1.5800	1.5813	1.5821	1.5846	↘
GBPSGD	1.7918	1.7929	1.7935	1.7950	1.7966	↘
AUDSGD	1.0436	1.0459	1.0470	1.0482	1.0498	↗

*at time of writing

↗ = above 0.1% gain; ↘ = above 0.1% loss; ➡ = less than 0.1% gain / loss

	Last Price	DoD %	YTD %	Name	Last Price	DoD %	YTD %
KLCI	1742.3	0.1	6.1	CRB Index	192.6	1.68	0.0
Dow Jones Ind.	23548.4	0.0	19.2	WTI oil (\$/bbl)	57.4	3.07	6.8
S&P 500	2591.1	0.1	15.7	Brent oil (\$/bbl)	64.3	3.54	8.4
FTSE 100	7562.3	0.0	5.9	Gold (\$/oz)	1282.0	0.90	10.8
Shanghai	3388.2	0.5	9.2	CPO (RM/tonne)	2792.5	-0.34	-12.7
Hang Seng	28596.8	0.0	30.0	Copper (\$/tonne)	6895.0	-0.49	24.6
STI	3381.9	0.0	17.4	Rubber (sen/kg)	482.5	1.26	-25.2

Source: Bloomberg

➤ Macroeconomics

Economic Data

	For	Actual	Last	Survey
EU Markit services PMI	Oct F	55.0	54.9	54.9
EU Sentix investor confidence	Nov	34.0	29.7	31.0
EU PPI YOY	Sept	2.9%	2.5%	2.7%
JP Nikkei services PMI	Oct	53.4	51.0	--
AU AiG performance of construction index	Oct	53.2	54.7	--

Source: Bloomberg

- Data was scant but mostly pointed upwards. Eurozone PMI services was upwardly revised to 55.0 in Oct from 54.9 initially estimated. This constitutes a moderation from 55.8 in Sept, but nonetheless suggests that growth remains at a solid pace. The services sector was driven by strongest growth in new orders in 6 months as well as pick-up in employment growth. Investors are most confident since Jul 2007, according to the survey by Sentix; the index rose to 34.0 in Nov from 29.7, exceeding economists' estimates of a rise to 31.0. Meanwhile, producer prices increased 2.9% YOY in Sept, up from 2.5% but was driven by energy prices; excluding energy cost, prices paced steady at 2.2%.
- Japan's economic activity continues to pick up steam given overall firmer dataflow, most recently being services PMI that rose to 53.4 in Oct from 51.0. The strongest growth since Aug 2015 was led by the quickest expansion in new orders since May 2013, but rate of employment growth tapered.
- In Australia, the construction sector grew at slower pace in Oct as indicated by AiG index that eased to 53.2 from 54.7 in Sept. Growth has moderated for a third month running, owing to slower expansions in employment and wages that negated slightly quicker growth in activity and new orders.

Economic Calendar Release Date

Country	Date	Event	Reporting Period	Survey	Prior	Revised
Malaysia	11/07	Foreign reserves	Oct 31	--	\$101.4b	--
US	11/08	Consumer credit	Sept	\$17.50b	\$13.06b	--
		MBA mortgage applications	Nov 3	--	-2.6%	--
EU	11/07	Markit Eurozone retail PMI	Oct	--	52.3	--
		Retail sales YOY	Sept	2.8%	1.2%	--
UK	11/07	Halifax house price MOM	Oct	0.2%	0.8%	--
Japan	11/08	Leading index	Sept P	106.6	107.2	--
		Coincident index	Sept P	115.9	117.7	--
China	11/08	Exports YOY	Oct	7.2%	8.1%	--
	11/08 – 18	FDI YOY	Oct	--	17.3%	--
Australia	11/07	RBA cash rate target	Nov 7	1.50%	1.50%	--

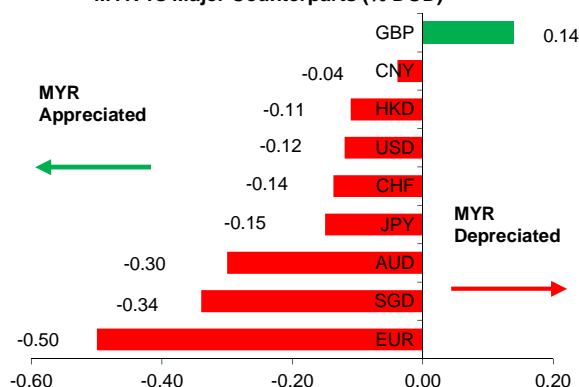
Source: Bloomberg

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1610	0.02	1.1624	1.1580	10.4
USDJPY	113.71	-0.32	114.73	113.70	-2.7
GBPUSD	1.3171	0.72	1.3175	1.3059	6.8
AUDUSD	0.7691	0.54	0.7692	0.7639	6.6
EURGBP	0.8815	-0.70	0.8896	0.8810	3.3
USDMYR	4.2315	-0.12	4.2437	4.2315	-5.7
EURMYR	4.9095	-0.50	4.9296	4.9072	3.9
JPYMYR	3.7071	-0.15	3.7161	3.6981	-3.2
GBPMYR	5.5445	0.14	5.5585	5.5379	0.6
SGDMYR	3.1009	-0.34	3.1098	3.1009	0.0
AUDMYR	3.2399	-0.30	3.2480	3.2394	0.0
NZDMYR	2.9153	-0.63	2.9330	2.9148	-6.5

Source: Bloomberg

MYR vs Major Counterparts (% DOD)



Forex

MYR

- **MYR advanced 0.12% to 4.2315 against USD** and climbed against 6 G10s, supported by continued rise in oil prices.
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USD

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- **Stay bullish on USD** supported by upside momentum stemming from positive data last Friday as well as refuge demand from potential extended weakness in European majors. Bullish bias still prevails and likely to support the Dollar Index's advance for another test at 95.15 going forward. Another rejection here, if any, is likely to trigger a drop to 93.56, otherwise, set sights on a climb to 96.20.

EUR

- **EUR recovered from intraday low to inch 0.02% higher at 1.1610 against USD** but was nonetheless lower against 9 G10s even as Eurozone data were firm.
- **EUR is now bullish against a soft USD**, with support from bullish potential in Eurozone data. Downside momentum appears to be easing in EURUSD, possibly delaying its decline to 1.1511. The pair may rebound briefly, but likely stay below 1.1658 otherwise a bearish technical landscape will change.

GBP

- **GBP benefited alongside other commodity majors, rising to the top of the G10 list and jumped 0.72% to 1.3171 against a soft USD.**
- **Keep a bearish view on GBP against USD** amid downside potential on Brexit uncertainties, risking current rebound. We still view the overnight advance as a technical rebound after recent slump and continue to set sights on extended declines going forward, with scope to break below 1.3000. This view will only be overturned by a close above 1.3245 today.

JPY

- **JPY retreated against 7 G10s** as risk sentiment improved in the markets but managed to **strengthen 0.32% to 113.71 against USD.**
- **JPY is now bullish in our view against USD** on changes in technical landscape. As noted yesterday, USDJPY failed to challenge 114.76 despite an early surge, resulting in a strong rejection. Bearish bias has emerged, tilting the pair downward with scope to test 113.19 in the next leg lower.

AUD

- **AUD rallied on the back of firmer commodities to beat 7 G10s and strengthen 0.54% to 0.7691 against a soft USD.**
- **We turn bullish on AUD against USD**; barring any dovish statements from RBA, firmer risk appetite and commodities suggest extended upside support to AUD. AUDUSD appears to be attempting another rebound, which we currently view will likely be terminated by a rejection at circa 0.7715 – 0.7730. The resulting rejection will push AUDUSD lower to 0.7603.

SGD

- **SGD advanced 0.25% to 1.3615 against a soft USD** but fell against 7 G10s.
- **We turn bullish on SGD against a soft USD**, supported by firmer risk appetite in the markets. USDSGD direction is uncertain amid recent erratic movements through key levels. Overnight loss of 1.3629 and emergence of a bearish bias have again dented USDSGD's path towards 1.3822. The pair is now likely on the defensive, with scope to return to 1.3594.

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