

Global Markets Research

Daily Market Highlights

Key Takeaways

- **Another day of scanty economic releases with no US data on the deck.** Eurozone continued to report decent numbers while the UK continued to see softer prints, offering little change to the case of an improving Eurozone economy and dimmer growth prospects in the UK. Eurozone's retail sector growth eased in Oct, according to PMI gauge that fell to 51.1 from 52.3 in Sept. Meanwhile, actual retail sales continues to firm up in the region, rising 3.7% YOY in Sept after 2.3% increase in the month prior. In the UK, easier gain in Halifax house prices added to signs of a soft housing market.
- No surprises from RBA again, who expectedly kept the cash rate target unchanged at 1.50% yesterday while also maintaining growth forecasts. The central bank remains upbeat about the economy as Governor Lowe stating that "outlook for non-mining business investment has improved" but pointed household consumption was one source of uncertainty, commenting that "household incomes are growing slowly and debt levels are high". Inflation is expected to "remain low" given slow growth in labour costs and increased competitive pressures.
- **USD rebounded to beat all G10s** as European and commodity majors slipped while the Dollar Index tested 95.15 as anticipated, and though rejected, it nonetheless closed 0.16% higher at 94.91. **USD remains bullish** in our view, supported by likelihood of extended risk-off in the markets. We view the rejection by 95.15 overnight to be a risk to the Dollar Index's continued climb. Another failure here could trigger a drop to 94.17 in the weeks ahead, but a successful break will prolong the uptrend to circa 95.42.
- **MYR inched 0.05% firmer to 4.2295 against USD** but had much of its gains from a stronger opening wiped out. MYR advanced against 8 G10s. **Stay bullish on MYR against USD** amid continually firm oil prices. USDMYR has completed a bearish pattern and is now tilted downwards. Caution that closing below 4.2235 will trigger further losses to circa 4.2156.
- **SGD weakened 0.19% to 1.3641 against USD** but managed to climb against 8 G10s. **SGD is now bearish against USD** as we expect an extended softness in market risk appetite. USDSGD direction remains uncertain and erratic. The pair has re-established a firmer upward position after climbing back above 1.3629 and is now back on track towards 1.3693 in the coming days, with scope to test 1.3822 in the weeks ahead.

Overnight Economic Data

EU	➔
UK	⬇
Malaysia	⬆

What's Coming Up Next

Major Data

- US consumer credit, MBA mortgage applications
- Japan leading and coincident index
- China exports

Major Events





















- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1554	1.1575	1.1599	1.1622	1.1659	⬇
USDJPY	113.19	113.64	113.79	113.85	114.07	⬇
GBPUSD	1.3100	1.3129	1.3170	1.3190	1.3216	⬇
AUDUSD	0.7603	0.7624	0.7653	0.7700	0.7715	⬇
EURGBP	0.8766	0.8783	0.8806	0.8814	0.8835	↗
USDMYR	4.2200	4.2235	4.2265	4.2298	4.2337	⬇
EURMYR	4.8877	4.8950	4.9011	4.9036	4.9072	⬇
JPYMYR	3.7091	3.7115	3.7177	3.7228	3.7262	↗
GBPMYR	5.5563	5.5625	5.5682	5.5738	5.5792	↗
SGDMYR	3.0950	3.0981	3.1009	3.1036	3.1066	⬇
AUDMYR	3.2280	3.2300	3.2347	3.2380	3.2446	⬇
NZDMYR	2.9100	2.9154	2.9194	2.9260	2.9330	⬇
USDSGD	1.3627	1.3642	1.3635	1.3646	1.3660	↗
EURSGD	1.5768	1.5800	1.5811	1.5833	1.5854	⬇
GBPSGD	1.7918	1.7929	1.7955	1.7989	1.8012	⬇
AUDSGD	1.0400	1.0410	1.0433	1.0446	1.0457	⬇

*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	1750.9	 0.5	 6.7	CRB Index	191.8	-0.37	-0.3
Dow Jones Ind.	23557.2	 0.0	 19.2	WTI oil (\$/bbl)	57.2	-0.26	 6.5
S&P 500	2590.6	 0.0	 15.7	Brent oil (\$/bbl)	63.7	-0.90	 7.4
FTSE 100	7513.1	 -0.7	 5.2	Gold (\$/oz)	1277.8	0.20	 10.8
Shanghai	3413.6	 0.7	 10.0	CPO (RM/tonne)	2769.0	-0.84	 -13.4
Hang Seng	28994.3	 1.4	 31.8	Copper (\$/tonne)	6970.0	1.09	 25.9
STI	3413.1	 0.9	 18.5	Rubber (sen/kg)	491.5	0.92	 -23.8

Source: Bloomberg

Economic Data

	For	Actual	Last	Survey
MY foreign reserves	Oct 31	\$101.5b	\$101.4b	--
EU Markit retail PMI	Oct	51.1	52.3	--
EU retail sales YOY	Sept	3.7%	2.3%	2.8%
UK Halifax house price MOM	Oct	0.3%	0.8%	0.2%
AU RBA cash rate target	Nov 7	1.50%	1.50%	1.50%

Source: Bloomberg

➤ Macroeconomics

- RBA expectedly kept the cash rate target unchanged at 1.50% yesterday while also maintaining growth forecasts. The central bank remains upbeat about the economy as Governor Lowe stating that "outlook for non-mining business investment has improved" but pointed household consumption was one source of uncertainty, commenting that "household incomes are growing slowly and debt levels are high". Inflation is expected to "remain low" given slow growth in labour costs and increased competitive pressures.
- Eurozone's retail sector growth eased in Oct, according to PMI gauge that fell to 51.1 from 52.3 in Sept. Meanwhile, spending continues to firm up in the region, rising 3.7% YOY in Sept after 2.3% increase in the month prior. Sales were lifted by broad-based increase across major categories save pharma & medical goods, most notably in textiles, clothing & footwear (Sept: +8.5% vs Aug: +2.7%) and electrical goods & furniture (Sept: +5.2% vs Aug: +3.4%).
- Halifax survey of house prices in the UK revealed slower growth in Oct, registering a 0.3% MOM increase from the 0.8% gain previously, indicating slowdown remains the theme in the overheated housing market.
- Malaysia's foreign reserves rose \$100m to \$101.5b as of Oct 31, up from \$101.4b. The reserves are sufficient to finance 7.6 months of retained import and are 1.1 times the short-term external debt.

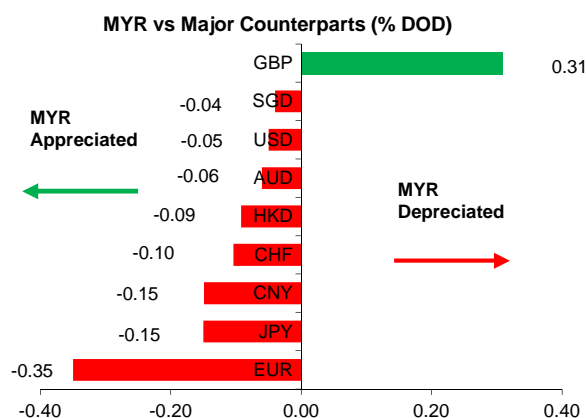
Economic Calendar Release Date						
Country	Date	Event	Reporting Period	Survey	Prior	Revised
Malaysia	11/09	Industrial production YOY	Sept	6.3%	6.8%	--
		Manufacturing sales value YOY	Sept	--	16.5%	--
		BNM Overnight Policy Rate	Nov 9	3.00%	3.00%	--
US	11/08	Consumer credit	Sept	\$17.50b	\$13.06b	--
		MBA mortgage applications	Nov 3	--	-2.6%	--
	11/09	Initial jobless claims	Nov 4	231k	229k	--
		Wholesale inventories MOM	Sept F	0.3%	0.3%	--
		University of Michigan sentiment	Nov P	100.9	100.7	--
EU	11/09	ECB economic bulletin				
		European Commission Economic Forecasts				
UK	11/09	RICS house price balance	Oct	4%	6%	--
		Industrial production YOY	Sept	1.9%	1.6%	--
		Manufacturing production YOY	Sept	2.4%	2.8%	--
		Construction output YOY	Sept	1.7%	3.5%	--
		Visible trade balance GBP/mil	Sept	-£12800	-£14245	--
		NIESR GDP estimate	Oct	--	0.4%	--
Japan	11/08	Leading index	Sept P	106.6	107.2	--
		Coincident index	Sept P	115.9	117.7	--
	11/09	Core machine orders YOY	Sept	2.0%	4.4%	--
		BoP current account balance	Sept	¥2386.4b	¥2380.4b	--
		Eco Watchers Current	Oct	50.8	51.3	--
China	11/08	Eco Watchers Outlook	Oct	51.5	51.0	--
		Exports YOY	Oct	7.1%	8.1%	--
	11/08 – 18	FDI YOY	Oct	--	17.3%	--
		CPI YOY	Oct	1.8%	1.6%	--
		PPI YOY	Oct	6.6%	6.9%	--
Australia	11/09	Home loan MOM	Sept	2.0%	1.0%	--
New Zealand	11/09	RBNZ official cash rate	Nov 9	1.75%	1.75%	--
	11/10	REINZ house sales YOY	Oct	--	-26.2%	--

Source: Bloomberg

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1587	-0.20	1.1616	1.1554	10.3
USDJPY	114.01	-0.26	114.34	113.70	-2.8
GBPUSD	1.3166	-0.04	1.3178	1.3109	6.8
AUDUSD	0.7645	-0.60	0.7701	0.7627	6.2
EURGBP	0.8800	-0.16	0.8835	0.8792	3.2
USDMYR	4.2295	-0.05	4.2321	4.2235	-5.7
EURMYR	4.8925	-0.35	4.9116	4.8921	3.6
JPYMYR	3.7015	-0.15	3.7189	3.6992	-3.4
GBPMYR	5.5616	-0.31	5.5726	5.5565	0.9
SGDMYR	3.0996	-0.04	3.1058	3.0989	0.0
AUDMYR	3.2381	-0.06	3.2538	3.2364	-0.1
NZDMYR	2.9274	-0.42	2.9383	2.9251	-6.1

Source: Bloomberg



Forex

MYR

- **MYR inched 0.05% firmer to 4.2295 against USD** but had much of its gains from a stronger opening wiped out. MYR advanced against 8 G10s.
- **Stay bullish on MYR against USD** amid continually firm oil prices. USDMYR has completed a bearish pattern and is now tilted downwards. Caution that closing below 4.2235 will trigger further losses to circa 4.2156.

USD

- **USD rebounded to beat all G10s** as European and commodity majors slipped while the Dollar Index tested 95.15 as anticipated, and though rejected, it nonetheless closed 0.16% higher at 94.91.
- **USD remains bullish** in our view, supported by likelihood of extended risk-off in the markets. We view the rejection by 95.15 overnight to be a risk to the Dollar Index's continued climb. Another failure here could trigger a drop to 94.17 in the weeks ahead, but a successful break will prolong the uptrend to circa 95.42.

EUR

- **EUR bounced off intraday low to narrow losses to 0.2% against USD at 1.1587** but closed higher against 7 G10s amid firmer Eurozone data.
- **Expect a softer EUR against USD** on lack of catalysts to drive gains. While we are bearish on EURUSD, note that downside momentum continues to ease, possibly delaying its decline to 1.1511. The pair may rebound moderately, but likely stay below 1.1658 otherwise a bearish technical landscape will change.

GBP

- **GBP eased 0.04% to 1.3166 against a firmer USD** but managed to advance against 8 G10s, supported by relatively softer European majors.
- **Keep a bearish view on GBP against USD** as speeches by BOE officials could potentially border on the dovish side and trigger increased downside pressure. We will maintain a bearish view on GBPUSD while below 1.3245, anticipating potential drop to below 1.3059 in the coming days.

JPY

- **JPY was lower against 5 G10s and weakened 0.26% to 114.01 against USD**, weighed down by bets of prolonged monetary by BOJ.
- **We stay bullish on JPY against USD** as refuge demand is likely to build on the back of softer equities and commodities. As noted yesterday, technical landscape in USDJPY has changed and we therefore maintain a bearish view, setting sights on a drop to 113.19 in the next leg lower.

AUD

- **AUD fell on weaker commodities, sliding against 8 G10s and falling 0.6% to 0.7645 against USD.**
- **AUD is now back on a bearish view against USD** on likelihood of extended risk aversion in equities and sliding commodities. We opine that AUDUSD's attempted rebound yesterday has failed at 0.7701. The pair is likely on the defensive, with room to slide lower to 0.7624, if not 0.7603.

SGD

- **SGD weakened 0.19% to 1.3641 against USD** but managed to climb against 8 G10s.
- **SGD is now bearish against USD** as we expect an extended softness in market risk appetite. USDSGD direction remains uncertain and erratic. The pair has re-established a firmer upward position after climbing back above 1.3629 and is now back on track towards 1.3693 in the coming days, with scope to test 1.3822 in the weeks ahead.

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