

Global Markets Research

Daily Market Highlights

Key Takeaways

- **Economic releases were scanty and markets were somewhat unnerved by political newsflows surrounding UK PM Theresa May's leadership and Brexit.** UK house prices as measured by Rightmove grew at a faster pace of 1.8% YOY in November but it fell 0.8% on a MOM basis, reinforcing lingering softness in the UK housing market.
- **Japan PPI accelerated more than expected to 3.4% YOY in October, its quickest in three years** as a result of broadly higher price gains across the key sectors from manufacturing to agriculture and mining. This bolstered hopes that higher costs will translate into higher consumer prices ahead, and suggesting inflation is finally slowly on the mend. BOJ Governor Kuroda said in an event in Zurich that **BOJ will maintain its "powerful monetary easing" to ensure inflation will return to its 2% long term target.**
- **Today, focus will be on China's first tier data** (retail sales, industrial production, fixed asset investment). **Yesterday, data showed new yuan loans halved to CNY663bn in October** from a month ago, its lowest in a year as lending curbs bite. Eurozone preliminary 3Q GDP is next where the preliminary print is expected to show a resilient growth of 0.6% QOQ.
- **USD rebounded to beat 8 G10s** while the Dollar Index was sideways after opening on firmer footing, closing 0.1% higher at 94.39, supported by renewed buying interest ahead of Fed speaks. **We keep a bearish view on USD** as upside support ahead of Fed speeches is likely to fade in the absence of major catalysts from macro flow to further spur buying interest. The Dollar Index remains poised to decline to circa 94.17 going forward. Rebounds cannot be ruled out but will be brief and limited to 94.91, after which there is potential to slide below 94.39 in the coming days.
- **MYR was barely changed against USD at 4.1915 against USD** though it managed to overturn early losses amid support from positive local sentiment. MYR advanced against 7 G10s. **We remain bullish on MYR against USD**, supported by positive sentiment in the local market. USDMYR remains tilted to the downside amid firmer bearish bias, with scope to test the recent low at 4.1825. Caution that breaking this sets a longer-term decline to 4.1523.
- **SGD remained supported against 6 G10s** as a proxy for safety within the region but **weakened 0.12% to 1.3618 against USD.** **We now turn bearish on SGD against USD**, weighed down by prevailing risk aversion in the markets. Overnight break above 1.3615 has tilted USDSGD back into a bullish tone, now with potential to climb further to 1.3641. Beating 1.3641 will again re-establish a longer-term target at 1.3822.

Overnight Economic Data

UK
Japan



What's Coming Up Next

Major Data

- US NFIB small biz optimism, PPI
- EU 3Q GDP, industrial production, ZEW expectations
- UK CPI, RPI, PPI
- China retail sales, fixed asset investment, industrial production
- Australia NAB business confidence & conditions

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1633	1.1657	1.1669	1.1681	1.1700	↗
USDJPY	113.25	113.64	113.71	113.91	114.03	↘
GBPUSD	1.3087	1.3110	1.3122	1.3132	1.3156	↘
AUDUSD	0.7580	0.7603	0.7619	0.7624	0.7634	↘
EURGBP	0.8878	0.8883	0.8891	0.8901	0.8913	↗
USDMYR	4.1885	4.1900	4.1935	4.1950	4.1982	↘
EURMYR	4.8802	4.8877	4.8951	4.8980	4.9000	↗
JPYMYR	3.6800	3.6817	3.6893	3.6950	3.7000	↘
GBPMYR	5.4873	5.5000	5.5044	5.5103	5.5239	↘
SGDMYR	3.0720	3.0749	3.0791	3.0803	3.0835	↘
AUDMYR	3.1920	3.1950	3.1968	3.2000	3.2059	↘
NZDMYR	2.8765	2.8885	2.8930	2.8964	2.9000	↘
USDSGD	1.3602	1.3615	1.3619	1.3629	1.3641	↗
EURSGD	1.5833	1.5876	1.5896	1.5905	1.5934	↗
GBPSGD	1.7849	1.7868	1.7875	1.7894	1.7917	↘
AUDSGD	1.0350	1.0380	1.0388	1.0405	1.0419	↘

*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	1737.5	-0.3	5.8	CRB Index	191.4	-0.10	-0.6
Dow Jones Ind.	23439.7	0.1	18.6	WTI oil (\$/bbl)	56.8	0.04	5.7
S&P 500	2584.8	0.1	15.5	Brent oil (\$/bbl)	63.2	-0.57	11.2
FTSE 100	7415.2	-0.2	3.8	Gold (S/oz)	1278.4	0.20	8.1
Shanghai	3447.8	0.4	11.1	CPO (RM/tonne)	2757.5	-1.04	-13.8
Hang Seng	29182.2	0.2	32.6	Copper (\$/tonne)	6786.0	-0.32	22.6
STI	3419.1	0.0	18.7	Rubber (sen/kg)	473.5	-0.73	-26.6

Source: Bloomberg

➤ Macroeconomics

Economic Data

	For	Actual	Last	Survey
UK Rightmove house prices YOY	Nov	1.8%	1.4%	--
JP PPI YOY	Oct	3.4%	3.1%	3.1%
JP machine tool orders YOY	Oct P	49.9%	45.0%	--

Source: Bloomberg

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Economic Calendar Release Date

Country	Date	Event	Reporting Period	Survey	Prior	Revised
US	11/14	NFIB small biz optimism	Oct	104.0	103.0	--
		PPI final demand MOM	Oct	0.1%	0.4%	--
	11/15	MBA mortgage applications	Nov 10	--	0.0%	--
		CPI YOY	Oct	2.0%	2.2%	--
		Empire manufacturing	Nov	25.0	30.2	--
		Advance retail sales MOM	Oct	0.0%	1.6%	--
EU	11/14	Industrial production MOM	Sept	-0.6%	1.4%	--
		ZEW expectations	Nov	--	26.7	--
		GDP SA QOQ	3Q P	0.6%	0.6%	--
	11/15	Trade balance	Sept	£21.0b	£21.6b	--
UK	11/14	CPI YOY	Oct	3.1%	3.0%	--
		RPI YOY	Oct	4.1%	3.9%	--
		PPI Output YOY	Oct	2.9%	3.3%	--
	11/15	Jobless claims change	Oct	--	1.7k	--
		ILO unemployment rate	Sept	4.3%	4.3%	--
Japan	11/15	Employment change 3M/3M	Sept	51k	94k	--
		GDP SA QOQ	3Q P	0.4%	0.6%	--
		Industrial production MOM	Sept F	--	--	--
China	11/13 – 18	FDI YOY	Oct	--	17.3%	--
	11/14	Retail sales YOY	Oct	10.5%	10.3%	--
		Fixed asset investment YOY	Oct	7.3%	7.5%	--
		Industrial production YOY	Oct	6.2%	6.6%	--
Australia	11/14	NAB business conditions	Oct	--	14	--
		NAB business confidence	Oct	--	7	--
	11/15	Westpac consumer confidence	Nov	--	101.4	--

Source: Bloomberg

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1667	0.02	1.1675	1.1638	10.9
USDJPY	113.62	0.08	113.71	113.25	-2.8
GBPUSD	1.3116	-0.61	1.3204	1.3062	6.3
AUDUSD	0.7623	-0.50	0.7672	0.7617	5.7
EURGBP	0.8896	0.62	0.8923	0.8828	4.2
USDMYR	4.1915	-0.01	4.1982	4.1875	-6.6
EURMYR	4.8795	-0.17	4.8921	4.8759	3.5
JPYMYR	3.6974	0.05	3.6982	3.6834	-3.8
GBPMYR	5.4815	-0.58	5.5103	5.4739	-0.3
SGDMYR	3.0776	-0.16	3.0835	3.0749	-0.8
AUDMYR	3.2044	-0.42	3.2136	3.2009	-1.5
NZDMYR	2.8953	-0.58	2.9079	2.8933	-7.3

Source: Bloomberg

Forex

MYR

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USD

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EUR

- **EUR inched 0.02% higher to 1.1667 against USD** and advanced against 8 G10s as buying interest improved ahead of speeches from ECB officials.
- **Expect EUR to keep a mild bullish bias against USD**, more so if Eurozone data outperforms. There is still scope for EURUSD to extend its recent rebound to 1.1733 before relenting. Current upsides will be terminated by a close below 1.1595. In the longer-term, we still set sights on a drop to 1.1511.

GBP

- **GBP tumbled against all G10s and fell 0.61% to 1.3116 against USD** amid extended downside pressure from rising skepticism over PM May's leadership.
- **Stay bearish on GBP against USD** amid brewing downside risks on the political front in the UK and potential for UK data misses. Continue to expect a bearish GBPUUSD while below 1.3245, anticipating potential drop to below 1.3060 going forward.

JPY

- **JPY advanced against 6 G10s** that consisted mostly of commodity majors but just **barely lost out to USD by 0.08% to 113.62**.
- **Expect JPY to stay bullish against a soft USD** amid rising risk-off in the FX space ahead of various speech by central bank officials. Technical signs point to potential rebound to circa 113.87 today but that has not deterred us from setting sights on USDJPY dropping to 112.98 in the longer-term.

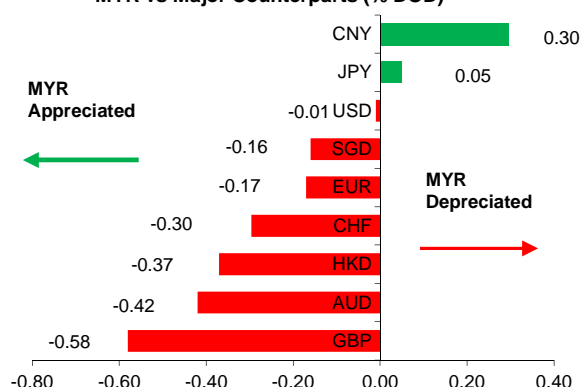
AUD

- **AUD was dragged lower by commodity majors**, sliding against 8 G10s and **falling 0.50% to 0.7623 against USD**.
- **Stay bearish on AUD against USD**, weighed down by retreating risk appetite in the markets and brewing political uncertainties in Australia. AUDUSD has finally dipped below 0.7624 and is now poised to test 0.7603. Breakdown from here exposes a drop to 0.7560 in the next leg lower.

SGD

- **SGD remained supported against 6 G10s** as a proxy for safety within the region but **weakened 0.12% to 1.3618 against USD**.
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MYR vs Major Counterparts (% DOD)



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