

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **There was no key data** to crunch overnight. US NAHB housing market surprised on the downside, adding to recent signs of a softening US housing market. **Markets is shifting their attention towards FOMC announcement** Thursday morning Malaysian time. We expect the Fed to announce details on its tapering plans and will be scrutinizing the latest dot plots and economic summary projections for more clues if the Fed will deliver another hike this year, a case which we are still not convinced of to-date.
- **Over in Europe, August CPI ticked higher to a 4-month high of 1.5% YOY** as expected but remained below the ECB's 2% target. Over in the UK, **BOE Governor Carney cautioned against higher inflation and slowing growth in the short term** amid weakening trade ties with EU partners as UK braced for Brexit. He nonetheless reiterated his stance post-BOE meeting that stimulus withdrawal would probably take place soon.
- **USD advanced against 6 G10s** as buying interest improved going into FOMC meeting while the Dollar Index was prepped up by declines in major components CAD, GBP and JPY, rising 0.19% to 92.04. **Stay slightly bullish on USD**; we reckon that buying interest may rise modestly heading into FOMC meeting, backed by market expectations of a decision on balance sheet reduction. Despite last Friday's losses, a mild bullish bias still prevails, therefore, we continue to set sights on a climb to above 92.52 by end week. Losses will likely be protected by 91.87, otherwise, a bearish bias will emerge and take the Dollar Index to 91.28 in the next leg lower.
- **MYR** advanced to a high of 4.1825 in early Asian trade but returned most gains to **just 0.02% at 4.1888 against USD** and closed mixed against the G10s. **MYR is now slightly bearish against USD** as we expect risk aversion to prevail ahead of FOMC meeting. Caution that USDMYR may be readying for a rebound higher, with scope to test 4.2260 in the coming weeks. Losses could come by, but as long as the pair holds above 4.1800, chances of rebound sustain.
- **SGD** closed mixed against the G10s but **weakened 0.22% to 1.3474 against USD**. **SGD sustains a bearish view against USD** amid rising risk-off in the markets. A mild bearish bias has emerged in USDSGD, tilting the pair slightly towards the upside. We maintain the view of a potential climb higher above 1.3548 – 1.3550.

#### Overnight Economic Data

US  
EU  
Hong Kong  
Singapore



#### What's Coming Up Next

##### Major Data

- US housing starts and building permits
- Eurozone ECB current account and ZEW expectations

##### Major Events

- RBA minutes

#### Daily Supports – Resistances (spot prices)\*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1921	1.1941	1.1958	1.1965	1.1984	↘
USDJPY	111.00	111.33	111.53	111.61	111.75	↗
GBPUSD	1.3480	1.3500	1.3516	1.3550	1.3580	↘
AUDUSD	0.7904	0.7937	0.7971	0.7980	0.7995	↘
EURGBP	0.8808	0.8820	0.8850	0.8866	0.8892	↘
USDMYR	4.1850	4.1888	4.1910	4.1940	4.1980	↗
EURMYR	5.0030	5.0059	5.0131	5.0150	5.0200	↘
JPYMYR	3.7500	3.7548	3.7596	3.7603	3.7654	↘
GBPMYR	5.6574	5.6610	5.6660	5.6690	5.6747	↘
SGDMYR	3.1074	3.1100	3.1116	3.11300	3.1180	↘
AUDMYR	3.3323	3.3371	3.3380	3.3464	3.3491	↘
NZDMYR	3.0364	3.0393	3.0444	3.0465	3.0494	↘
USDSGD	1.3442	1.3456	1.3471	1.3485	1.3500	↗
EURSGD	1.6072	1.6101	1.6117	1.6126	1.6133	↘
GBPSGD	1.8150	1.8162	1.8211	1.8246	1.8260	↘
AUDSGD	1.0707	1.0729	1.0736	1.0743	1.0754	↘

\*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	1783.7	-0.1	8.6	CRB Index	183.7	-0.17	-4.6
Dow Jones Ind.	22331.4	0.3	13.0	WTI oil (\$/bbl)	49.9	0.04	-7.1
S&P 500	2503.9	0.1	11.8	Brent oil (\$/bbl)	55.5	-0.25	-2.4
FTSE 100	7253.3	0.5	1.5	Gold (\$/oz)	1307.4	-1.00	10.8
Shanghai	3362.9	0.3	8.4	CPO (RM/tonne)	2866.5	-0.14	-10.4
Hang Seng	28159.8	1.3	28.0	Copper (\$/tonne)	6527.0	0.31	17.9
STI	3241.9	1.0	12.5	Rubber (sen/kg)	556.0	-0.71	-13.8

Source: Bloomberg

## Economic Data

	For	Actual	Last	Survey
US NAHB housing market index	Sept	64	67	67
EU CPI YOY	Aug F	1.5%	1.3%	1.5%
HK unemployment rate	Aug	3.1%	3.1%	3.2%
SG NODX YOY	Aug	17.0%	7.6%	11.8%

Source: Bloomberg

## ➤ Macroeconomics

- US reported another data slip-up; the NAHB housing market index unexpectedly fell to 64 in Sept from 67 previously, suggesting that sentiment amongst home builders dimmed.
- Consumer prices in the Eurozone was upwardly revised to 1.5% YOY in Aug final print, rising from 1.3% in Jul. The uptick was due to 4.0% increase in cost of energy, rising from 2.2% in Jul, with other major categories such as food and services steadied. However, core inflation remained unchanged at 1.2%.
- Singapore's non-oil domestic exports surprised to the upside, with an increase of 17.0% YOY in Aug, up sharply from 7.6% in Jul. The strong headline figure was lifted by surging gains in electronics exports (Aug: +21.7% vs Jul: +15.3%) and more so non-electronic products (Aug: +15.0% vs Jul: +4.4%) that makes up 69% of total NODX. Shipments to the top 3 destinations, China (Aug: +43.2% vs Jul: +19.6%), the EU (Aug: +23.0% vs Jul: -25.3%) and Hong Kong (Aug: +41.9% vs Jul: +19.6%) accelerated.
- Over in Hong Kong, the unemployment rate stayed unchanged for a third consecutive month at 3.1% in Aug.

## Economic Calendar Release Date

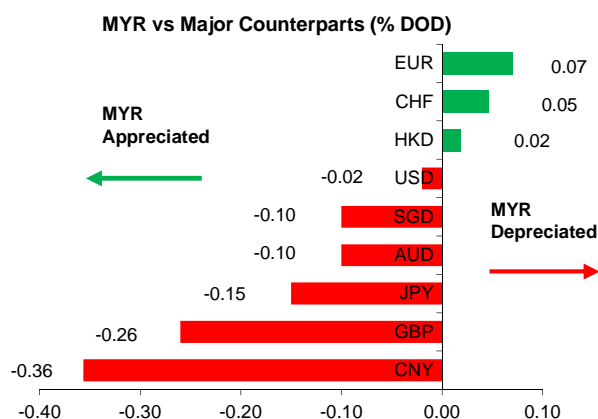
Country	Date	Event	Reporting Period	Survey	Prior	Revised
US	9/19	Housing starts MOM	Aug	1.7%	-4.8%	--
		Building permits MOM	Aug	-0.8%	-4.1%	-3.5%
	9/20	MBA mortgage applications	Sept 15	--	9.9%	--
		Existing home sales MOM	Aug	0.7%	-1.3%	--
EU	9/19	ECB current account	Jul	--	21.2b	--
		ZEW expectations	Sept	--	29.3	--
UK	9/20	Retail sales MOM	Aug	0.2%	0.3%	--
Japan	9/20	Trade balance	Aug	¥108.7b	¥418.8b	¥421.7b
Australia	9/19	RBA minutes	--	--	--	--
	9/20	Westpac leading index	Aug	--	0.12%	--

Source: Bloomberg

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1954	0.08	1.1969	1.1915	13.7
USDJPY	111.57	0.67	111.66	110.83	-4.7
GBPUSD	1.3495	-0.73	1.3619	1.3465	9.6
AUDUSD	0.7958	-0.55	0.8035	0.7940	10.6
EURGBP	0.8857	0.77	0.8863	0.8779	3.6
USDMYR	4.1888	-0.02	4.1903	4.1825	-6.6
EURMYR	5.0049	0.07	5.0070	4.9902	6.0
JPYMYR	3.7610	-0.15	3.7704	3.7588	-1.8
GBPMYR	5.6751	-0.26	5.7028	5.6688	2.9
SGDMYR	3.1115	-0.10	3.1168	3.1093	0.3
AUDMYR	3.3556	-0.10	3.3614	3.3494	3.6
NZDMYR	3.0609	0.57	3.0721	3.0523	-1.9

Source: Bloomberg



## Forex

### MYR

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### USD

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- **Stay slightly bullish on USD**; we reckon that buying interest may rise modestly heading into FOMC meeting, backed by market expectations of a decision on balance sheet reduction. Despite last Friday's losses, a mild bullish bias still prevails, therefore, we continue to set sights on a climb to above 92.52 by end week. Losses will likely be protected by 91.87, otherwise, a bearish bias will emerge and take the Dollar Index to 91.28 in the next leg lower.

### EUR

- **EUR inched 0.08% to 1.1954 against USD** and advanced against 7 G10s, supported by firmer Eurozone CPI print.
- **EUR remains against USD** in anticipation of firmer buying support of the greenback ahead of FOMC meeting. Even as EURUSD resisted a decline below 1.1925, prevailing bearish bias dictates that the pair remains inclined towards the downside. We expect EURUSD to close below 1.1885 going forward.

### GBP

- **GBP** expectedly retraced after 2 straight days of rally, sliding against 8 G10s and **tumbling 0.73% to 1.3495 against USD**.
- **Expect GBP to stay slightly bearish against USD**, weighed down by risk aversion ahead of speeches from BOE official and UK PM Theresa May. We are still skeptical that GBPUSD can continue pushing higher and set sights on extended retracements. Sliding below 1.3500 will trigger further losses to circa 1.3343 in the longer-term.

### JPY

- **JPY** extended its retreat in the absence of refuge demand, falling against 7 G10s and **weakening 0.67% to 111.57 against USD**.
- **Expect JPY to remain bearish against USD** in the absence of refuge demand. USDJPY is technically bullish and continues to target 111.61 – 111.75 in the next leg higher. Once this range is broken, expect 112.80 – 113.00 to be under threat.

### AUD

- **AUD** was weighed down by interest in European majors as well as risk aversion ahead of today's RBA minutes, retreating against 6 G10s and **falling 0.55% to 0.7958 against USD**.
- **Expect AUD to remain bearish against USD** ahead of RBA minutes and risk aversion ahead of FOMC meeting. AUDUSD fell below 0.7980 as expected. With bearish bias picking up, we now set sights on a drop below 0.7958 soon, below which 0.7900 will be challenged.

### SGD

- **SGD** closed mixed against the G10s but **weakened 0.22% to 1.3474 against USD**.
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