

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **Jitters stemming from the collapse of coalition talk in Germany appeared to be relatively contained**, as major equities including the Dax shrugged off such political concerns and rebounded overnight as focus was shifted back to improved fundamentals in the Euro region. In a latest development, Angela Merkel said she would rather face a fresh election rather than forcing ahead with further coalition that could spring even more risks to German.
- It was another super quiet day on the data front with just two indicators from the US and Japan. **US leading index bounced up commendably to 1.2% MOM in October, its best gain in four years.** September's decline was also revised up to a 0.1% increase. Improved momentum in the leading index ranging from jobs to housing, manufacturing and consumers shall **provide impetus for growth to hold up in the final quarter of the year.**
- **Just released RBA minutes showed policy makers remained wary over the implication of subdued wage growth on inflation outlook**, which would be a key factor holding back any policy move in the foreseeable future in our view. **The central bank remains optimistic on growth outlook nonetheless**, saying forward indicators suggest "there were more upside risks" to non-mining investment and that the Australian economy is on track to pick up to around 3% over the next few years.
- **USD strengthened against 8 G10s** while the Dollar Index reverse a decline in European session to close 0.45% higher at 94.08, supported by refuge demand amid weakness in European majors. **USD is likely to remain slightly bullish**, supported by continued risk-off in European majors but we caution that spectrum of gains will diminish as buying interest wanes heading into Thanksgiving on Thursday. The Dollar Index is now poised to test 94.17, with scope to break higher and target 94.38. But given net negative momentum and firm resistances, current upsides are unlikely to last.
- **MYR advanced 0.28% to 4.1495 against USD** and strengthened against 7 G10s, staying on an appreciating path amid support from rate hike expectations. **MYR is slightly bullish against USD** amid continued support from positive local sentiment. We caution that USDMYR could see a soft rebound while holding above 4.1500 but gains are likely to fizzle out approaching 4.1645 before resuming the recent downtrend. Another close below 4.1500 will trigger further losses to 4.1380 – 4.1400 next.
- **SGD** was also boosted by firmer US equities, beating 8 G10s but **slipped 0.06% to 1.3569 against a firmer USD.** We now turn **slightly bullish on SGD against USD**, amid signs of revival in equities. USDSGD remains poised to close below 1.3567 today, which if true will continue to exert downward pressure that could push the pair lower to circa 1.3535.

#### Overnight Economic Data

US   
Japan 

#### What's Coming Up Next

##### Major Data

- US Chicago Fed national activity index, existing home sales
- UK public finance
- Japan all industry activity index, supermarket sales, dept store sales
- Hong Kong CPI

##### Major Events

- Nil

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1708	1.1723	1.1740	1.1760	1.1786	↘
USDJPY	112.00	112.37	112.61	112.74	112.98	↘
GBPUSD	1.3216	1.3237	1.3248	1.3262	1.3282	↗
AUDUSD	0.7520	0.7536	0.7552	0.7572	0.7595	↘
EURGBP	0.8848	0.8856	0.8864	0.8878	0.8896	↘
USDMYR	4.1450	4.1463	4.1505	4.1535	4.1563	↘
EURMYR	4.8600	4.8686	4.8735	4.8777	4.8802	↘
JPYMYR	3.6750	3.6800	3.6858	3.6913	3.6936	↘
GBPMYR	5.4825	5.4883	5.4976	5.4993	5.5030	↘
SGDMYR	3.0550	3.0570	3.0589	3.0605	3.0628	↘
AUDMYR	3.1285	3.1300	3.1330	3.1381	3.1403	↘
NZDMYR	2.8200	2.8233	2.8267	2.8293	2.8426	↘
USDSGD	1.3530	1.3544	1.3566	1.3569	1.3580	↘
EURSGD	1.5895	1.5915	1.5932	1.5953	1.5975	↘
GBPSGD	1.7919	1.7930	1.7974	1.8007	1.8054	↗
AUDSGD	1.0200	1.0225	1.0241	1.0255	1.0272	↘

\*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	1718.4	-0.2	4.7	CRB Index	189.2	-0.62	-1.7
Dow Jones Ind.	23430.3	0.3	18.6	WTI oil (\$/bbl)	56.1	-0.81	4.4
S&P 500	2582.1	0.1	15.3	Brent oil (\$/bbl)	62.2	-0.80	9.5
FTSE 100	7389.5	0.1	3.5	Gold (S/oz)	1276.9	-1.30	8.1
Shanghai	3392.4	0.3	9.3	CPO (RM/tonne)	2659.5	-0.99	-16.9
Hang Seng	29260.3	0.2	33.0	Copper (\$/tonne)	6777.0	0.59	22.4
STI	3386.6	0.1	17.6	Rubber (sen/kg)	466.0	0.00	-27.8

Source: Bloomberg

## ➤ Macroeconomics

### Economic Data

	For	Actual	Last	Survey
US leading index	Oct	1.2%	0.1%	0.7%
JP convenience store sales	Oct	-1.8%	-0.0%	--

Source: Bloomberg

- It was another super quiet day on the data front with just two indicators on the deck.
- US leading index bounced up commendably to 1.2% MOM in October, its best gain in four years, driven by broad-based gains in all subcomponents except non defense capital goods orders. Notable improvement was seen in jobless claims, building permits and ISM new orders as well as consumer expectations. September's decline was also revised up to a 0.1% increase. Improved momentum in the leading index ranging from jobs to housing, manufacturing and consumers shall provide impetus for growth to hold up in the final quarter of the year.
- In Japan, convenience store sales remained in the doldrums, falling 1.8% YOY in October, as a drop in customer traffic offset bigger gains in customer spending. We shall look out to upcoming supermarket sales and nationwide departmental store sales to gauge if overall consumer spending has indeed weakened.
- Just released RBA minutes showed policy makers remained wary over the implication of subdued wage growth on inflation outlook, which would be a key factor holding back any policy move in the foreseeable future in our view. The central bank remains optimistic on growth outlook nonetheless, saying forward indicators suggest "there were more upside risks" to non-mining investment and that the Australian economy is on track to pick up to around 3% over the next few years.

### Economic Calendar Release Date

Country	Date	Event	Reporting Period	Survey	Prior	Revised
Malaysia	11/22	CPI YOY	Oct	4.1%	4.3%	--
US	11/21	Chicago Fed national activity index	Oct	0.20	0.17	--
		Existing home sales MOM	Oct	0.2%	0.7%	--
		MBA mortgage applications	Nov 17	--	3.1%	--
	11/22	Initial jobless claims	Nov 18	240k	249k	--
		Durable goods orders	Oct P	0.4%	2.0%	--
		Uni Michigan consumer sentiments	Nov F	98.0	97.8	--
Eurozone	11/22	Consumer confidence	Nov A	-0.9	-1.0	--
UK	11/21	PSNCR	Oct	--	11.2b	--
Japan	11/21	All industry activity index MOM	Sept	-0.4%	0.1%	--
		Supermarket sales YOY	Oct	--	-0.3%	--
		Nationwide dept store sales YOY	Oct	--	4.4%	--
Hong Kong	11/21	CPI YOY	Oct	1.7%	1.4%	--
Australia	11/22	Westpac leading index MOM	Oct	--	0.08%	--

Source: Bloomberg

**FX Table**

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1733	-0.48	1.1812	1.1722	11.6
USDJPY	112.62	0.46	112.72	111.89	-3.7
GBPUSD	1.3235	0.15	1.3279	1.3186	7.3
AUDUSD	0.7550	-0.19	0.7574	0.7544	4.8
EURGBP	0.8865	-0.65	0.8948	0.8857	3.9
USDMYR	4.1495	-0.28	4.1645	4.1485	-7.4
EURMYR	4.8941	-0.27	4.9030	4.8742	3.2
JPYMYR	3.7008	0.08	3.7198	3.6997	-3.8
GBPMYR	5.5103	-0.07	5.5155	5.4851	-0.3
SGDMYR	3.0612	-0.18	3.0688	3.0605	-1.3
AUDMYR	3.1399	-0.07	3.1470	3.1392	-3.2
NZDMYR	2.8356	0.30	2.8426	2.8261	-9.3

Source: Bloomberg

**Forex**
**MYR**

- **MYR advanced 0.28% to 4.1495 against USD** and strengthened against 7 G10s, staying on an appreciating path amid support from rate hike expectations.
- **MYR is slightly bullish against USD** amid continued support from positive local sentiment. We caution that USDMYR could see a soft rebound while holding above 4.1500 but gains are likely to fizzle out approaching 4.1645 before resuming the recent downtrend. Another close below 4.1500 will trigger further losses to 4.1380 – 4.1400 next.

**USD**

- **USD strengthened against 8 G10s** while the Dollar Index reverse a decline in European session to close 0.45% higher at 94.08, supported by refuge demand amid weakness in European majors.
- **USD is likely to remain slightly bullish**, supported by continued risk-off in European majors but we caution that spectrum of gains will diminish as buying interest wanes heading into Thanksgiving on Thursday. The Dollar Index is now poised to test 94.17, with scope to break higher and target 94.38. But given net negative momentum and firm resistances, current upsides are unlikely to last.

**EUR**

- **EUR fell 0.48% to 1.1733 against USD** and retreated against 6 G10s amid emergence of political uncertainty in Germany.
- **Stay slightly bearish on EUR against USD**, weighed down by continued political concerns in Germany. EURUSD is tilted to the downside, with scope to test 1.1681 – 1.1708 region. A close below this range will prolong the current bearish trend and push the pair to perhaps 1.1608. Amid easing upside momentum, it will be tough for EURUSD to recapture 1.1760.

**GBP**

- **GBP benefited from weakness in European majors on haven flow**, beating all G10s and **climbing 0.15% to 1.3235 against USD**.
- **We turn bullish on GBP against USD** as risk aversion in European majors will continue to support GBP. Successful close above 1.3216 has tilted GBPUSD towards the upside and there is now scope for a test at 1.3282. Beating this exposes a move to 1.3343.

**JPY**

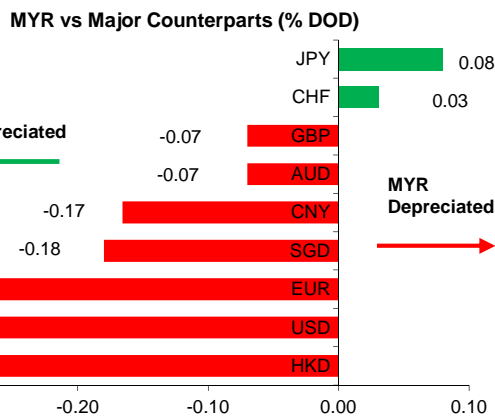
- **JPY slipped against 5 G10s and weakened 0.46% to 112.62 against USD**.
- **We keep a bullish JPY view against USD** despite overnight rebound because refuge demand is likely to still prevail in the markets. Technical viewpoint continues to suggest a downward path for USDJPY going forward. But we caution that after a strong bounce off 111.90, there may be room for a modest rebound to circa 112.98 before extending the recent downtrend.

**AUD**

- **AUD strengthened against 7 G10s amid firmer equities but retreated 0.19% to 0.7550 against a firmer USD**.
- **AUD continues to remain bearish against a firm USD** and potential downside pressure from RBA caution on a strong local currency. AUDUSD continues to target a drop to 0.7535 next, but caution that risk of a rebound increases approaching 0.7500. We note that declines appear to be slowing, potentially paving the way for a moderate rebound to circa 0.7603.

**SGD**

- **SGD was also boosted by firmer US equities, beating 8 G10s but slipped 0.06% to 1.3569 against a firmer USD**.
- **We now turn slightly bullish on SGD against USD**, amid signs of revival in equities. USDSGD remains poised to close below 1.3567 today, which if true will continue to exert downward pressure that could push the pair lower to circa 1.3535.



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