

Global Markets Research

Daily Market Highlights

Key Takeaways

- **Data flow were limited to the US and Japan.** The Chicago Fed's gauge of economic activity showed that growth has slipped below historical average in the latest release. In Japan, while activity across all industries has picked up pace, spending sagged, and continue to suggest that Japan's economic expansion remains uneven.
- **USD fell against all G10s** amid continued downsides on Trump's administrative woes, softer US data as well as lack of buying interest ahead of Jackson Hole. The Dollar Index tumbled through European session but declines halted in US afternoon, closing 0.36% lower at 93.09. **We now turn bearish on USD** in expectation of the lack of buying interest to extend, on top of risk aversion amid continued administrative woes faced by Trump. Technical outlook for the Dollar Index has turned dimmer, with 93.03 being all that is preventing a revisit of 92.54 last tested in early Aug. Even if 93.03 manages to bounce the Dollar Index higher, we reckon that gains may still be limited by 93.50.
- **MYR was 0.0.7% firmer at 4.2870 against a soft USD** but was mixed against the G10s. **Expect a mildly bullish MYR against a soft USD.** Today's early gap-down below 4.2841 and emergence of a mild bearish bias have further tilted USDMYR to the downside. The pair is expected to soon test 4.2809, below which a drop to 4.2747 is likely.
- SGD was also weighed down against 8 G10s by the lack of risk sentiment but **advanced 0.15% to 1.3608 against USD. SGD is now slightly bullish against a soft USD.** The loss of 1.3611 has conferred USDSGD a bearish bias. The pair is now poised to slide below 1.3600, which will trigger further losses to circa 1.3581.

Overnight Economic Data

US
Japan



What's Coming Up Next

Major Data

- Malaysia foreign reserves
- US Richmond Fed manufacturing index
- Eurozone ZEW survey expectations
- UK PSNCR
- Japan supermarket sales

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1780	1.1800	1.1812	1.1826	1.1847	↗
USDJPY	108.72	109.00	109.15	109.41	109.77	↘
GBPUSD	1.2848	1.2880	1.2900	1.2913	1.2928	↗
AUDUSD	0.7900	0.7926	0.7941	0.7951	0.7975	↗
EURGBP	0.9136	0.9149	0.9157	0.9162	0.9175	↘
USDMYR	4.2809	4.2825	4.2840	4.2861	4.2871	↘
EURMYR	5.0436	5.0546	5.0617	5.0670	5.0700	↗
JPYMYR	3.9187	3.9230	3.9239	3.9311	3.9324	↘
GBPMYR	5.5157	5.5200	5.5264	5.5321	5.5357	↘
SGDMYR	3.1441	3.1470	3.1479	3.1483	3.1500	↘
AUDMYR	3.3963	3.3994	3.4021	3.4050	3.4128	↗
NZDMYR	3.1294	3.1337	3.1387	3.1392	3.1435	↘
USDSGD	1.3581	1.3600	1.3609	1.3911	1.3638	↘
EURSGD	1.6026	1.6048	1.6077	1.6077	1.6110	↗
GBPSGD	1.7520	1.7540	1.7557	1.7572	1.7595	↗
AUDSGD	1.0790	1.0800	1.0809	1.0815	1.0835	↗

*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	1771.6	-0.3	7.9	CRB Index	176.5	-0.53	-8.3
Dow Jones Ind.	21703.8	0.1	9.8	WTI oil (\$/bbl)	47.4	-2.40	-11.8
S&P 500	2428.4	0.1	8.5	Brent oil (\$/bbl)	51.7	-2.00	-9.1
FTSE 100	7318.9	-0.1	2.5	Gold (\$/oz)	1291.9	0.60	10.8
Shanghai	3286.9	0.6	5.9	CPO (RM/tonne)	2638.5	0.65	-17.5
Hang Seng	27154.7	0.4	23.4	Copper (\$/tonne)	6586.0	1.54	19.0
STI	3247.0	-0.2	12.7	Rubber (sen/kg)	575.0	0.70	-10.9

Source: Bloomberg

➤ Macroeconomics

Economic Data

	For	Actual	Last	Survey
US Chicago Fed national activity index	Jul	-0.01	0.16	0.10
JP all industry activity index MOM	Jun	0.4%	-0.8%	0.4%
JP Nationwide dept sales YOY	Jul	-1.4%	1.4%	--

Source: Bloomberg

- As turmoil within Trump's administration kept USD anchored, the sole US data overnight added further weight. The Chicago Fed's national activity index retreated more than expected into negative territory in July, registering a -0.01 print from 0.16 in Jun. This means that overall growth of national economic activity was just below the historical average rate.
- Over in Japan, activity across all industries grew at a slightly softer pace in June, while spending at departmental stores contracted in July. The all industry index rose 2.2% YOY in June compared to 3.2% in May, though the overall trend remains upward bound in the last 6 months. There were moderation across sub-sectors, with industrial production, tertiary industry and construction all recording softer gains. A monthly basis, the all industry activity rose 0.4% MOM after contracting 0.8% in May.
- Japan's departmental store sales fell 1.4% YOY in July after rising 1.4% in June, raising concerns that recent upticks may have peaked. The about-turn was caused by reversals into contractionary mode in services (July: -4.6% vs June: +3.1%), accessories (July: -0.8% vs June: +2.8%), as well as sharper declines in sales of clothing (July: -5.0% vs June: -0.5%) and food (July: -2.0% vs June: -0.3%).

Economic Calendar Release Date

Country	Date	Event	Reporting Period	Survey	Prior	Revised
Malaysia	8/22	Foreign reserves	Aug 15	--	\$99.4b	--
	8/23	CPI YOY	Jul	3.4%	3.6%	--
US	8/22	Richmond Fed manufacturing index	Aug	10	14	--
	8/23	MBA mortgage applications	Aug 18	--	0.1%	--
		Markit US manufacturing PMI	Aug P	53.4	53.3	--
		Markit US services PMI	Aug P	54.9	54.7	--
		New home sales MOM	Jul	0.0%	0.8%	--
Eurozone	8/22	ZEW survey expectations	Aug	--	35.6	--
UK	8/22	PSNCR	Jul	--	18.3b	--
Japan	08/22	Supermarket sales YOY	Jul	--	-1.2%	--
	08/23	Nikkei Japan PMI manufacturing	Aug P	--	52.1	--
		Machine tool orders YOY	Jul F	--	26.3%	--
China	08/22 – 24	FDI YOY	Jul	--	2.3%	--
Hong Kong	08/22	CPI YOY	Jul	2.0%	1.9%	--
Singapore	08/23	CPI YOY	Jul	0.7%	0.5%	--

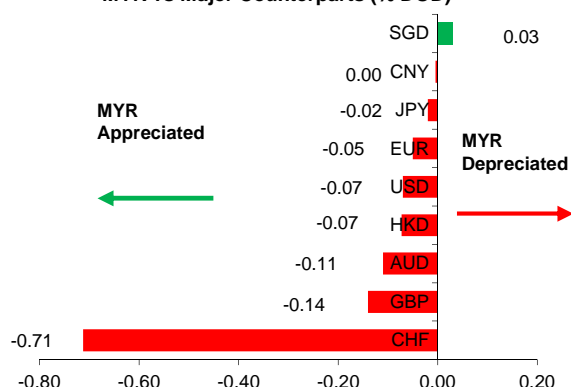
Source: Bloomberg

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1815	0.46	1.1828	1.1731	12.3
USDJPY	108.98	-0.18	109.42	108.64	-6.8
GBPUSD	1.2900	0.23	1.2916	1.2850	4.5
AUDUSD	0.7939	0.13	0.7951	0.7911	10.1
EURGBP	0.9160	0.27	0.9162	0.9111	7.3
USDMYR	4.2870	-0.07	4.2930	4.2858	-4.4
EURMYR	5.0327	-0.05	5.0480	5.0309	6.5
JPYMYR	3.9317	-0.02	3.9383	3.9218	2.6
GBPMYR	5.5199	-0.14	5.5266	5.5122	0.1
SGDMYR	3.1453	0.03	3.1509	3.1435	1.4
AUDMYR	3.3942	-0.11	3.4050	3.3909	4.8
NZDMYR	3.1336	-0.28	3.1414	3.1319	0.5

Source: Bloomberg

MYR vs Major Counterparts (% DOD)



Forex

MYR

- **MYR was 0.07% firmer at 4.2870 against a soft USD** but was mixed against the G10s.
- **Expect a mildly bullish MYR against a soft USD.** Today's early gap-down below 4.2841 and emergence of a mild bearish bias have further tilted USDMYR to the downside. The pair is expected to soon test 4.2809, below which a drop to 4.2747 is likely.

USD

- **USD fell against all G10s** amid continued downsides on Trump's administrative woes, softer US data as well as lack of buying interest ahead of Jackson Hole. The Dollar Index tumbled through European session but declines halted in US afternoon, closing 0.36% lower at 93.09.
- **We now turn bearish on USD** in expectation of the lack of buying interest to extend, on top of risk aversion amid continued administrative woes faced by Trump. Technical outlook for the Dollar Index has turned dimmer, with 93.03 being all that is preventing a re-visit of 92.54 last tested in early Aug. Even if 93.03 manages to bounce the Dollar Index higher, we reckon that gains may still be limited by 93.50.

EUR

- **EUR jumped 0.46% to 1.1815 against a weak USD** and advanced against 8 G10s.
- **EUR is now bullish on the back of a soft USD** but expect gains to be limited as buying interest is likely to wane approaching Jackson Hole. Recapturing 1.1800 has given EURUSD an upside boost that could see the pair re-testing 1.1893, possibly even 1.1910 in the coming days. But at this juncture, we opine that EURUSD lacks the upside strength to break 1.1910.

GBP

- **GBP closed mixed against the G10s but strengthened 0.23% to 1.2900 against a weak USD.**
- **GBP is slightly bullish on the back of a relatively softer USD.** GBPUSD recapturing 1.2900 is a positive sign and upsides will strengthen further once 1.2913, and more so 1.2928, are breached.

JPY

- **JPY remained supported against a weak USD, advancing 0.19% to 108.98** but ended lower against 6 G10s.
- **JPY remains bullish against USD** as risk aversion is likely to find firmer footing heading into the Jackson Hole symposium. USDJPY remains tilted to the downside, not to mention a firmer bearish bias providing additional push lower. Another test at 108.78 is likely.

AUD

- **AUD slipped against 8 G10s on the back of soft risk appetite in the markets but rose 0.13% to 0.7939 against a weak USD.**
- Even as risk appetite continues to wane ahead of Jackson Hole, **we turn slightly bullish on AUD against USD**, anticipating a relatively soft greenback. AUDUSD has bypassed 0.7892, which gives it a firmer upside. While above this, we opine that AUDUSD has scope to test the strong 0.7980.

SGD

- **SGD** was also weighed down against 8 G10s by the lack of risk sentiment but **advanced 0.15% to 1.3608 against USD.**
- **SGD is now slightly bullish against a soft USD.** The loss of 1.3611 has conferred USDSGD a bearish bias. The pair is now poised to slide below 1.3600, which will trigger further losses to circa 1.3581.

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