

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- Few data were released overnight and markets attention turned to the European Central Bank Forum. A day after ECB President Draghi's remarks boosted EUR, **BOE Governor Carney sent GBP rallying with what was interpreted to be a change from his usually dovish stance to a slightly more hawkish tone.** Carney stated that "some removal of monetary stimulus is likely to become necessary if trade-off facing the MPC continues to lessen", suggesting that BOE is leaning towards a tighter policy should conditions improve, thus making the recent hawkish change in policy voting pattern more credible.
- On the data front, the **US continues to churn out sub-par data** while **conditions in Japan remains mixed**, with businesses reporting improved business confidence even though signs of low wages dragging on consumption remains clear. In the UK, house prices continue to climb.
- **MYR overturned early gains into a 0.22% loss against USD** and fell against 7 G10s on the back of softer bids amid retreating market sentiment. **Stay bearish on MYR against USD** as local market sentiment remains soft, hampering bids. USDMYR is still inclined to higher levels, though we reckon that on the back of softening upside momentum, gains appears to be nearing top unless the pair manages to beat 4.3030. Then, USDMYR will be exposed to a move to 4.3098.
- **USD fell against 9 G10s** while the Dollar Index faced renewed pressure from rallying GBP and CAD, tumbling to close 0.4% lower at 96.01. **Stay bearish on USD** as it remains weighed down by firming interests in European majors and risk aversion ahead of crucial US data. Bearish bias has picked up in the Dollar Index, thus extended losses are warranted. But we warn that continued closings below 96.32 reversion level will likely culminate into a rebound above it.
- **SGD closed mixed against the G10s but advanced 0.36% to 1.3822 against a weak USD. Stay bullish on SGD against USD**, supported by likelihood of extended recovery in risk appetite. USDSGD remains vulnerable to further losses after losing 1.3841. The pair is now likely to test 1.3800, below which a drop to 1.3768 is expected.

#### Overnight Economic Data

US	
UK	
Japan	

#### What's Coming Up Next

##### Major Data

- US 1Q final GDP
- euro zone economic confidence, business climate indicator, consumer confidence, CPI estimate
- Australia HIA new home sales
- Vietnam industrial production, 2Q GDP, exports, retail sales and CPI

##### Major Events





























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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1361	1.1371	1.1385	1.1400	1.1428	↗
USDJPY	112.00	112.25	112.30	112.50	112.70	↗
GBPUSD	1.2901	1.2930	1.2944	1.2972	1.3007	↗
AUDUSD	0.7609	0.7624	0.7643	0.7657	0.7680	↗
EURGBP	0.8774	0.8791	0.8796	0.8807	0.8822	↘
USDMYR	4.2882	4.2900	4.2943	4.2997	4.3022	↗
EURMYR	4.8800	4.8850	4.8894	4.8920	4.8962	↗
JPYMYR	3.8200	3.8223	3.8253	3.8288	3.8327	↘
GBPMYR	5.5528	5.5570	5.5587	5.5647	5.5698	↗
SGDMYR	3.1018	3.1042	3.1072	3.1080	3.1116	↗
AUDMYR	3.2652	3.2739	3.2840	3.2889	3.2986	↗
NZDMYR	3.1350	3.1383	3.1410	3.1450	3.1480	↗
USDSGD	1.3804	1.3812	1.3817	1.3828	1.3841	↘
EURSGD	1.5700	1.5719	1.5734	1.5740	1.5781	↘
GBPSGD	1.7837	1.7868	1.7886	1.7900	1.7963	↗
AUDSGD	1.0540	1.0560	1.0566	1.0582	1.0600	↗

\*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	1771.2	 -0.5	 7.9	CRB Index	171.0	 0.57	 -11.2
Dow Jones Ind.	21454.6	 0.7	 8.6	WTI oil (\$/bbl)	44.7	 1.10	 -16.7
S&P 500	2440.7	 0.9	 9.0	Brent oil (\$/bbl)	47.3	 1.40	 -16.6
FTSE 100	7387.8	 -0.6	 3.4	Gold (S/oz)	1249.3	 0.20	 8.9
Shanghai	3173.2	 -0.6	 2.2	CPO (RM/tonne)	2619.0	 1.28	 -18.1
Hang Seng	25683.5	 -0.6	 16.7	Copper (\$/tonne)	5881.0	 0.39	 6.2
STI	3215.7	 -0.1	 11.6	Rubber (sen/kg)	541.5	 0.46	 -16.1

Source: Bloomberg

## ➤ Macroeconomics

### Economic Data

	For	Actual	Last	Survey
US MBA mortgage applications	Jun-23	-6.20%	0.60%	--
US wholesale inventories MoM	May P	0.30%	-0.40%	0.20%
US pending home sales MoM	May	-0.80%	-1.37%	1.00%
UK Nationwide house Px NSA YoY	Jun	3.10%	2.10%	1.90%
Japan small business confidence	Jun	49.2	48.9	49.2
Japan retail sales MoM	May	-1.60%	1.40%	-1.00%

- There was little to digest on the macro front on the back of minor data from the US, the UK and Japan. Mortgage applications in the US slipped 6.2% in the week ended 23 Jun, snapping a 3-week gain that was last recorded at 0.6%. Wholesale inventories inched 0.3% MOM higher in May's preliminary gauge, overturning a 0.4% decline in Apr. Meanwhile, pending home sales fell 0.8% MOM in May after sales declined 1.7% in Apr, extending the decline to 3 months running.
- The survey from Nationwide showed that house prices climbed at a three month high of 3.10% YOY to £ 211.3 k in June after rising 2.10% YOY in May. Brexit uncertainty has somewhat dampened demand in the housing market, evidenced by the slowest pace of increase in London since 2012.
- Japan's small business confidence index ticked up to 49.2 in June, rising from 48.9 in May to its highest in 3 months, a sign businesses are anticipating pick up. There needs to be more convincing data as retail sales in May softened on an annual basis, growing just 2.0% YOY from 3.2% in Apr, while sales fell 1.6% MOM after rising 1.4% previously, and both measures were below market expectations.

### Economic Calendar Release Date

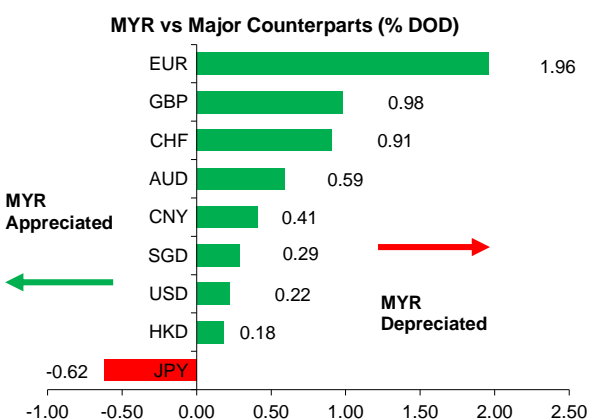
Country	Date	Event	Reporting Period	Survey	Prior	Revised
US	06/29	GDP Annualized QoQ	1Q T	1.20%	1.20%	--
	06/30	Personal Income	May	0.30%	0.40%	--
		Personal Spending	May	0.10%	0.40%	--
		Chicago Purchasing Manager	Jun	58.0	59.4	--
UK	06/29	U. of Mich. Sentiment	Jun F	94.5	97.1	--
		Net Consumer Credit	May	1.4b	1.5b	--
	06/30	Mortgage Approvals	May	64.0k	64.6k	--
		GfK Consumer Confidence	Jun	-7	-5	--
Euro zone	06/29	GDP QoQ	1Q F	0.20%	0.70%	--
		Index of Services 3M/3M	Apr	0.30%	0.20%	--
	06/30	Economic Confidence	Jun	109.5	109.2	--
		Business Climate Indicator	Jun	0.94	0.9	--
Japan	06/29	Consumer Confidence	Jun F	-1.3	-1.3	--
		CPI Estimate YoY	Jun	1.20%	1.40%	--
	06/30	Jobless Rate	May	2.80%	2.80%	--
		Overall Household Spending YoY	May	-0.70%	-1.40%	--
China	06/30	Natl CPI YoY	May	0.50%	0.40%	--
		Industrial Production MoM	May P	-3.00%	4.00%	--
	06/29	Housing Starts YoY	May	-0.70%	1.90%	--
		Construction Orders YoY	May	--	-0.20%	--
Hong Kong	06/30	Manufacturing PMI	Jun	51.0	51.2	--
		Non-manufacturing PMI	Jun	--	54.5	--
Australia	06/29	Retail Sales Value YoY	May	1.50%	0.10%	--
New Zealand	06/29	HIA New Home Sales MoM	May	--	0.80%	--
		ANZ Activity Outlook	Jun	--	38.3	--
Vietnam	06/30	ANZ Business Confidence	Jun	--	14.9	--
		Building Permits MoM	May	--	-7.60%	--
	06/29	Industrial Production YoY	Jun	--	7.20%	--
		GDP YTD YoY	2Q	5.50%	5.10%	--
New Zealand	06/29	Exports YTD YoY	Jun	19.60%	17.40%	--
		Retail Sales YTD YoY	Jun	--	10.20%	--
		CPI YOY	Jun	2.75%	3.19%	--

Source: Bloomberg

### FX Table

Name	Last Price	DoD %	High	Low	YTD%
EURUSD	1.1378	0.34	1.1391	1.1292	8.2
USDJPY	112.30	-0.04	112.42	111.83	-4.0
GBPUSD	1.2926	0.87	1.2972	1.2794	4.9
AUDUSD	0.7640	0.75	0.7645	0.7577	6.0
EURGBP	0.8802	-0.51	0.8880	0.8772	3.0
USDMYR	4.2972	0.22	4.3022	4.2855	-4.3
EURMYR	4.8819	1.96	4.8962	4.8593	3.5
JPYMYR	3.8309	-0.62	3.8433	3.8196	-0.2
GBPMYR	5.5076	0.98	5.5175	5.4897	0.8
SGDMYR	3.1007	0.29	3.1042	3.0907	0.2
AUDMYR	3.2634	0.59	3.2739	3.2520	1.3
NZDMYR	3.1192	-0.17	3.1378	3.1133	0.6

Source: Bloomberg



## Forex

### MYR

- **MYR overturned early gains into a 0.22% loss against USD** and fell against 7 G10s on the back of softer bids amid retreating market sentiment.
- **Stay bearish on MYR against USD** as local market sentiment remains soft, hampering bids. USDMYR is still inclined to higher levels, though we reckon that on the back of softening upside momentum, gains appears to be nearing top unless the pair manages to beat 4.3030. Then, USDMYR will be exposed to a move to 4.3098.

### USD

- **USD fell against 9 G10s** while the Dollar Index faced renewed pressure from rallying GBP and CAD, tumbling to close 0.4% lower at 96.01.
- **Stay bearish on USD** as it remains weighed down by firming interests in European majors and risk aversion ahead of crucial US data. Bearish bias has picked up in the Dollar Index, thus extended losses are warranted. But we warn that continued closings below 96.32 reversion level will likely culminate into a rebound above it going forward.

### EUR

- **EUR rose 0.34% to 1.1378 against a weak USD** but ended lower against 5 G10s as risk appetite in European markets continued to fade.
- **A bullish EUR will likely prevail against a soft USD**, supported by firmer bids for European majors. EURUSD is now poised to test 1.1400, but we remain skeptical over extended gains thereafter. We reckon that EURUSD vulnerable to rejections approaching 1.1428 – 1.1450, and a rejection here could push the pair back to circa 1.1255.

### GBP

- **GBP jumped 0.87% to 1.2926 against USD** and advanced against 8 G10s, lifted by what was interpreted as a hawkish tone of BOE Governor Carney in his speech at a forum.
- **We turn bullish on GBP against USD** on the back of rising market expectations of a near-term BOE policy action. A firmer bullish bias has transpired, tilted GBPUSD more towards upside and will soon test 1.2972. A break here exposes a move to 1.3048 in the longer-term.

### JPY

- **JPY was 0.04% firmer at 112.30 against a soft USD** but fell against 8 G10s as risk-sensitive majors advanced.
- **Maintain a bearish view on JPY against USD** as refuge demand is showing signs of receding. Staying above 112.25 continues to imbue USDJPY with a bullish tone, thus we set sights on further gains, likely to circa 112.80 – 113.06 before upsides abate.

### AUD

- **AUD jumped 0.75% to 0.7640 against a weak USD** and beat 7 G10s, bolstered by the return of risk appetite in US session.
- **We turn bullish on AUD against a soft USD** amid signs of improving risk appetite in the markets and recovery in commodities. AUDUSD closing above 0.7640 has alleviated doubts over sustainability of further upsides. We now set sights on a potential test at 0.7680, above which a return to 0.7720 is likely.

### SGD

- **SGD closed mixed against the G10s but advanced 0.36% to 1.3822 against a weak USD.**
- **Stay bullish on SGD against USD**, supported by likelihood of extended recovery in risk appetite. USDSGD remains vulnerable to further losses after losing 1.3841. The pair is now likely to test 1.3800, below which a drop to 1.3768 is expected.

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 6, Wisma Hong Leong

18, Jalan Perak

50450 Kuala Lumpur

Tel: 603-2773 0469

Fax: 603-2164 9305

Email: HLMarkets@hlbb.hongleong.com.my

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