

Global Markets Research

Daily Market Highlights

Key Takeaways

- A quiet weekend as US and some other markets are out for Good Friday/ Easter holiday. Economic releases were very scanty and only limited to Japan and China, which turned out to be positive.
- PMI readings in China surprised on the upside. PMI manufacturing ticked up more than expected by 1.2ppt to 51.5 in March while services PMI notched 0.2ppt up to 54.6, defying expectations for a flat print. Composite reading for both manufacturing and sector PMI was also higher at 54.0 in March (Feb: 52.9), reaffirming resiliency in the China economy.
- In Japan, housing starts fell at a slower than expected pace of 2.6% YOY in February (Jan: -13.2%) and rebounded to increase 8.2% MOM. Construction orders in terms of value of contracts received by the country's 50 biggest constructors meanwhile spiked to 19.2% YOY (Jan: 0.9%) which coincides with rising industrial output and land prices in the same month.
- **USD traded weaker against 8 G10s** but losses were subdued amid softer positioning in the wake of Good Friday holiday. The DXY closed 0.3% lower at 89.97 on Friday. **USD may turn slightly bullish today** as trading interest returned post Easter holiday. DXY remains tilted to the upside but likely to retrace recent losses first before extending further gains amid a minor bullish bias. Expect losses to bounce off 89.85. We still set sights on a potential test at 90.58.
- **MYR advanced 0.15% to 3.8635 against the USD** on continued improvement in regional sentiment but the MYR was largely weaker against other G10s. **Expect MYR to stay slightly bullish** against the USD on sustained sentiment and taking cue from a softer USD last Friday. USDMYR remains tilted to the downsides but we caution on a potential rebound after recent sharp losses. Unless current minor bearish trend is overturned, there is room for a drop to 3.8471.
- **SGD closed 0.03% weaker to 1.3115 against USD** and fell against all G10s save for the CAD. **We are turning slightly bullish SGD against USD**, amid sustained market sentiments. Expect a test at 1.3099 next and breaking this level exposes a move to 1.3082 next.

Source: Bloomberg

* as at 29-March closes

Overnight Economic Data

Japan	↑
China	↑

What's Coming Up Next

Major Data

- Malaysia Nikkei PMI
- US Markit PMI & ISM manufacturing, construction spending
- Japan Nikkei PMI Mfg
- China Caixin PMI Mfg
- Singapore purchasing managers index
- Vietnam Nikkei PMI Mfg

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.2273	1.2298	1.2320	1.2337	1.2360	↘
USDJPY	105.94	106.05	106.24	106.64	107.00	↗
GBPUSD	1.4000	1.4015	1.4043	1.4070	1.4095	↘
AUDUSD	0.7650	0.7672	0.7693	0.7696	0.7714	↗
EURGBP	0.8753	0.8762	0.8772	0.8775	0.8790	→
USDMYR	3.8245	3.8471	3.8555	3.8609	3.8696	↘
EURMYR	4.7326	4.7403	4.7498	4.7578	4.7644	↘
JPYMYR	3.6143	3.6250	3.6286	3.6342	3.6419	↘
GBPMYR	5.4024	5.4124	5.4154	5.4275	5.4300	↘
SGDMYR	2.9251	2.9417	2.9441	2.9500	2.9520	↘
AUDMYR	2.9611	2.9632	2.9654	2.9695	2.9769	↘
NZDMYR	2.7751	2.7856	2.7875	2.7959	2.8000	↘
USDSGD	1.3069	1.3082	1.3095	1.3124	1.3135	↘
EURSGD	1.6104	1.6120	1.6134	1.6139	1.6150	↘
GBPSGD	1.8361	1.8390	1.8394	1.8406	1.8426	↘
AUDSGD	1.0032	1.0056	1.0075	1.0100	1.0115	↘

* 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	1863.5	0.4	3.7	CRB Index	195.4	0.55	0.8
Dow Jones Ind.*	24103.1	1.1	-2.5	WTI oil (\$/bbl)	64.9	0.87	7.5
S&P 500*	2640.9	1.4	-1.2	Brent oil (\$/bbl)	69.6	0.32	4.0
FTSE 100*	7056.6	0.2	-8.2	Gold (\$/oz)	1325.0	0.00	1.9
Shanghai	3168.9	0.3	-4.2	CPO (RM/tonne)	2393.5	-0.48	0.2
Hang Seng*	30093.4	0.2	0.6	Copper (\$/tonne)	6714.0	0.74	-7.4
STI*	3428.0	1.3	0.7	Rubber (sen/kg)	429.5	0.23	-7.1

Economic Data

	For	Actual	Last	Survey
JP Housing Starts YOY	Feb	-2.6%	-13.2%	-4.2%
JP Construction Orders YOY	Feb	19.2%	0.9%	--
CN Manufacturing PMI	Mar	51.5	50.3	50.6
CN Non-manufacturing PMI	Mar	54.6	54.4	54.4

Source: Bloomberg

➤ Macroeconomics

- In Japan, housing starts fell at a slower than expected pace of 2.6% YOY in February (Jan: -13.2%) and rebounded to increase 8.2% MOM due to the exceptionally low reading in January, driven by a rebound in housing for sale and privately financed units. Annualized housing starts amounted to 926,000 in February vs 856,000 in January.
- Construction orders in terms of value of contracts received by the country's 50 biggest constructors on the other hand spiked to 19.2% YOY (Jan: 0.9%) which coincides with rising industrial output and land prices in the same month.
- Manufacturing sector in China expanded more than expected in March. Official manufacturing PMI was recorded at 51.5 (Feb: 50.3) as recently lifted winter pollution controls led to higher production. Steel output surged as well after the expiry of an order for steel mills to halve production between mid-November to mid-March.
- China's services sector expanded as well as non-manufacturing PMI reading inched slightly higher to 54.6 (Feb: 54.4). Composite reading for both manufacturing and sector PMI was higher at 54.0 in March (Feb: 52.9), reaffirming resiliency in the China economy.

Economic Calendar Release Date

Country	Date	Event	Reporting Period	Survey	Prior	Revised
Malaysia	2/4	Nikkei Malaysia PMI	Mar	--	49.9	--
US	2/4	Markit US Manufacturing PMI	Mar F	55.7	55.7	--
		Construction Spending MOM	Feb	0.4%	0.0%	--
		ISM Manufacturing	Mar	60.0	60.8	--
Eurozone	3/4	Markit Eurozone Manufacturing PMI	Mar F	56.6	56.6	--
UK	3/4	Markit UK PMI Manufacturing	Mar	54.7	55.2	--
Japan	2/4	Nikkei Japan PMI Mfg	Mar F	--	53.2	--
China	2/4	Caixin China PMI Mfg	Mar	51.7	51.6	--
Hong Kong	3/4	Retail Sales YOY	Feb	--	4.1%	--
Singapore	2/4	Purchasing Managers Index	Mar	52.6	52.7	--
Australia	3/4	AiG Perf of Mfg Index	Mar	--	57.5	--
		CBA Australia PMI Mfg	Mar	--	55.6	--
		RBA Cash Rate Target	Apr 3	1.50%	1.50%	--
Vietnam	2/4	Nikkei Vietnam PMI Mfg	Mar	--	53.5	--

Source: Bloomberg

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.2324	0.20	1.2331	1.2293	2.6
USDJPY	106.28	-0.14	106.54	106.13	-5.7
GBPUSD	1.4015	-0.02	1.406	1.4011	3.8
AUDUSD	0.7679	0.01	0.7707	0.7673	-1.6
EURGBP	0.8791	0.19	0.8796	0.8765	-1.2
USDMYR	3.8635	-0.15	3.8690	3.8580	-4.5
EURMYR	4.7625	0.00	4.7655	4.7484	-1.8
JPYMYR	3.6391	0.27	3.6404	3.6277	1.2
GBPMYR	5.4299	-0.03	5.4334	5.4088	-0.6
SGDMYR	2.9499	0.06	2.9505	2.9417	-2.6
AUDMYR	2.9754	0.24	2.9767	2.9604	-5.9
NZDMYR	2.8002	0.54	2.8005	2.7864	-2.8

Source: Bloomberg

Forex

MYR

- **MYR advanced 0.15% to 3.8635 against the USD** on continued improvement in regional sentiment but the MYR was largely weaker against other G10s.
- **Expect MYR to stay slightly bullish** against the USD on sustained sentiment and taking cue from a softer USD last Friday. USDMYR remains tilted to the downsides but we caution on a potential rebound after recent sharp losses. Unless current minor bearish trend is overturned, there is room for a drop to 3.8471.

USD

- **USD traded weaker against 8 G10s** but losses were subdued amid softer positioning in the wake of Good Friday holiday. The DXY closed 0.3% lower at 89.97 on Friday.
- **USD may turn slightly bullish today** as trading interest returned post Easter holiday. DXY remains tilted to the upside but likely to retrace recent losses first before extending further gains amid a minor bullish bias. Expect losses to bounce off 89.85. We still set sights on a potential test at 90.58.

EUR

- **EUR appreciated by 0.20% to 1.2324 against USD** and gained against 7 G10s on the back of USD weakness.
- **Expect a slightly bearish EUR today in anticipation of a firmer USD.** EURUSD remains in a minor bearish trend and we maintain our view for a decline to circa 1.2242, which if broken would trigger further losses to 1.2100.

GBP

- **GBP slipped 0.02% to 1.4015 against USD** and fell against all G10s save for the CAD, in the absence of positive catalysts to revive prevailing downbeat sentiments in the sterling.
- **We are now slightly bearish on GBP in anticipation of renewed positioning in the USD.** A close below 1.4013 will expose a move to 1.3865.

JPY

- **JPY advanced against all G10s except the European majors.** It **strengthened 0.14% to 106.28 against USD.**
- **Maintain a bearish JPY view against USD** as sustained sentiments in the market is likely to keep a lid on refuge demand. USDJPY remains inclined to the upsides but expect gains to soften approaching 107.17.

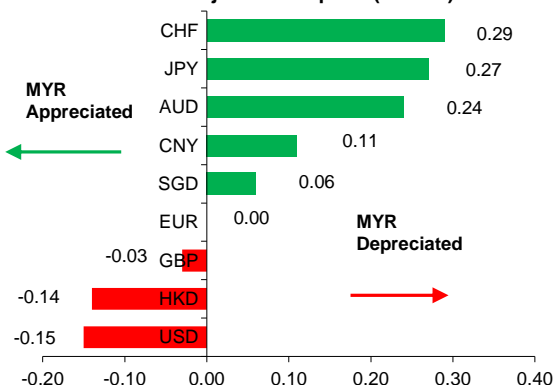
AUD

- **AUD closed rather flat against the USD at 0.7679** but managed to advance against 6 G10s on the back of rebound in major commodities and improved risk appetite.
- **AUD remains slightly bullish** against the greenback in our view, supported by sustained risk appetite in the market. However, we continue to foresee gains to be capped by 0.7714. AUDUSD is still deep in bearish territory and we maintain our view for a potential test at 0.7617 next.

SGD

- **SGD closed 0.03% weaker to 1.3115 against USD** and fell against all G10s save for the CAD.
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MYR vs Major Counterparts (% DOD)



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