

Global Markets Research

Daily Market Highlights

Key Takeaways

- **Global financial markets saw reduced volatility** and major US equities ended higher for the second consecutive day but we have reservation the dust has fully settled.
- **Economic releases were super light** limited to just PPI from Japan and Singapore retail sales, both of which surprised on the downside. The increase in **Japan producer prices moderated to 2.7% YOY in January**, compared to the 3.0% increase in Dec last year. The below expected figure was mostly attributed to slower increase in import prices amid a relatively firmer JPY.
- **Singapore retail sales rose at a slower pace of 4.6% YOY in December** while sales growth ex-auto decelerated sharply to 0.6% YOY. Motor vehicle sales jumped 26.0% YOY in December, cushioning slower growth and declines in other core categories including food and fuel, suggesting slower consumer demand/spending, that would translate into slower growth in 4Q.
- **USD retreated against 9 G10s**, taking a breather in the absence of positive catalysts to drive further buying interest after recent upsides, while DXY slipped 0.26% to 90.20. **Stay bullish on USD**, supported by refuge demand as sell-off in the markets could resume after recent respite. DXY remains above 90.02, which continues to support further gains going forward. Closing above 90.25 today will likely boost DXY above 90.44 before the week is out.
- **MYR** opened on a stronger footing but **pared gains throughout trading to close just 0.03% firmer at 3.9385 against USD** and weakened against 8 G10s. **Expect a bearish MYR against USD** as we anticipate softer buying interest heading into Malaysian festive season. Technically, USDMYR still has some room to climb, with scope to beat 3.9395 before the week is out. The pair is taking aim at 3.9554 but failure to beat this level will trigger a drop to 3.9208.
- **SGD** was also firmer on the back of firmer risk appetite, beating 8 G10s and **climbing 0.35% to 1.3231 against USD**. **We remain slightly bearish on SGD against the USD**, amid lingering risk-off in the markets. USDSGD remains bullish even though positive momentum is softening somewhat. The pair has scope to test 1.3278 today, above which it would likely target 1.3361 next.

Overnight Economic Data

Japan	↓
Singapore	↓

What's Coming Up Next

Major Data

- US NFIB small business confidence
- UK CPI, RPI, and PPI
- Japan machine tool orders
- Australia NAB business confidence

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.2227	1.2247	1.2294	1.2305	1.2335	↘
USDJPY	108.42	108.58	108.69	108.92	109.07	↘
GBPUSD	1.3800	1.3827	1.3843	1.3861	1.3881	↘
AUDUSD	0.7819	0.7838	0.7852	0.7884	0.7894	↘
EURGBP	0.8863	0.8873	0.8878	0.8892	0.8900	↗
USDMYR	3.9300	3.9320	3.9355	3.9405	3.9472	↗
EURMYR	4.8297	4.8365	4.8362	4.8410	4.8472	↘
JPYMYR	3.6116	3.6175	3.6202	3.6233	3.6285	↗
GBPMYR	5.4386	5.4420	5.4464	5.4491	5.4536	↘
SGDMYR	2.9614	2.9663	2.9706	2.9732	2.9770	↗
AUDMYR	3.0845	3.0865	3.0911	3.0970	3.1000	↗
NZDMYR	2.8460	2.8506	2.8542	2.8556	2.8632	↗
USDSGD	1.3200	1.3210	1.3248	1.3252	1.3278	↗
EURSGD	1.6258	1.6266	1.6281	1.6305	1.6339	↘
GBPSGD	1.8300	1.8317	1.8335	1.8348	1.8383	↘
AUDSGD	1.0391	1.0400	1.0406	1.0413	1.0432	↗

*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	1830.2	0.6	1.9	CRB Index	189.1	0.30	-2.5
Dow Jones Ind.	24601.3	1.7	-0.5	WTI oil (\$/bbl)	59.3	1.00	-1.9
S&P 500	2656.0	1.4	-0.7	Brent oil (\$/bbl)	62.6	-0.32	-6.4
FTSE 100	7177.1	1.2	-6.6	Gold (S/oz)	1322.9	0.00	1.5
Shanghai	3154.1	0.8	-4.6	CPO (RM/tonne)	2472.5	0.20	3.5
Hang Seng	29459.6	-0.2	-1.5	Copper (\$/tonne)	6755.0	-1.31	-6.8
STI	3385.0	0.2	-0.5	Rubber (sen/kg)	458.5	-1.61	-0.9

Source: Bloomberg

➤ Macroeconomics

Economic Data

	For	Actual	Last	Survey
JP PPI YOY	Jan	2.7%	3.0%	2.8%
SG retail sales YOY	Dec	4.6%	5.0%	4.7%

- Japan producer prices moderated in Jan, rising 2.7% YOY compared to the 3.0% increase in Dec last year. The below expected figure was mostly attributed to slower increase in import prices amid a relatively firmer Yen. Commodity-wise, the slowdown was broad-based, led by easier pace of increase from manufacturing (Jan: +2.2% vs Dec: +2.4%), agriculture (Jan: +3.7% vs Dec: +5.6%), minerals (Jan: +2.4% vs Dec: +2.7%) and utilities (Jan: +7.9% vs Dec: +8.8%).
- Singapore retail sales moderated to increase 4.6% YOY in December while sales growth ex-auto decelerated sharply to 0.6% YOY, suggesting broadly lower sales in other core categories namely food & beverages, fuels, supermarkets and departmental stores. Motor vehicle sales jumped 26.0% YOY in December, cushioning slower growth and declines in other categories, suggesting slower consumer demand/ spending, translating into slower growth in 4Q.

Source: Bloomberg

Economic Calendar Release Date

Country	Date	Event	Reporting Period	Survey	Prior	Revised
Malaysia	14/2	GDP YOY	4Q	5.7%	6.2%	--
US	13/2	NFIB Small Business Optimism	Jan	105.7	104.9	--
	14/2	MBA Mortgage Applications	Feb-09	--	0.7%	--
		CPI YOY	Jan	1.9%	2.1%	--
Eurozone		Retail sales advance MOM	Jan	0.2%	0.4%	--
	14/2	Industrial production MOM	Dec	0.1%	1.0%	--
		GDP SA QOQ	4Q P	0.6%	0.6%	--
UK	13/2	CPI YOY	Jan	2.9%	3.0%	--
		RPI YOY	Jan	4.1%	4.1%	--
		PPI Output NSA YOY	Jan	3.0%	3.3%	--
Japan	13/2	Machine Tool Orders YoY	Jan P	--	48.3%	--
	14/2	GDP SA QOQ	4Q P	0.2%	0.6%	--
Singapore	14/2	GDP YOY	4Q F	2.9%	3.1%	--
Australia	13/2	NAB business confidence	Jan	--	11	--
	14/2	Westpac consumer confidence	Feb	--	105.1	--

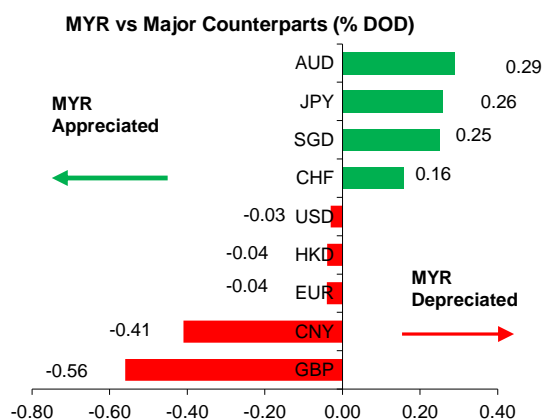
Source: Bloomberg

Forex

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.2292	0.33	1.2297	1.2235	2.5
USDJPY	108.66	-0.13	108.94	108.44	-3.5
GBPUSD	1.3838	0.08	1.3876	1.3796	2.5
AUDUSD	0.7862	0.63	0.7864	0.7799	0.6
EURGBP	0.8884	0.23	0.8892	0.8843	0.0
USDMYR	3.9385	-0.03	3.9408	3.9243	-2.7
EURMYR	4.8299	-0.04	4.8424	4.8179	-0.4
JPYMYR	3.6224	0.26	3.6308	3.6116	0.8
GBPMYR	5.4527	-0.56	5.4660	5.4289	-0.2
SGDMYR	2.9701	0.25	2.9732	2.9590	-1.9
AUDMYR	3.0803	0.29	3.0845	3.0707	-2.6
NZDMYR	2.8537	0.26	2.8631	2.8467	-0.9

Source: Bloomberg



MYR

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USD

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- **Stay bullish on USD**, supported by refuge demand as sell-off in the markets could resume after recent respite. DXY remains above 90.02, which continues to support further gains going forward. Closing above 90.25 today will likely boost DXY above 90.44 before the week is out.

EUR

- **EUR climbed 0.33% to 1.2292 against a soft USD** and advanced against 7 G10s as risk appetite returned to the markets.
- **Maintain a bearish view on EUR against USD**, anticipating risk-off in the markets to resume and dampen demand. EURUSD appears to be attempting a rebound from recent declines, but unless it manages to close above 1.2305, we opine that the next direction is likely down and takes aim at 1.2161.

GBP

- **GBP inched 0.08% to 1.3838 against a soft USD** but slipped against 7 G10s.
- **We are still bearish on GBP in line with expectation of a firmer USD**, on top of potentially bearish UK data. Unless GBPUSD manages to close above 1.3881 today, which will negate current downside bias, the pair remains technically bearish and we still expect the pair to head towards 1.3786 next.

JPY

- **JPY strengthened 0.13% to 108.66 against a soft USD** but ended lower against 5 G10s as demand for refuge retreated.
- **Continue to expect a slightly bullish JPY against USD** in anticipation of firmer refuge demand. USDJPY remains deep in bearish trend and likely to slide lower to circa 108.28, below which 107.82 will be targeted.

AUD

- **AUD** was buoyed by firmer risk appetite in the markets to beat all G10s, including **jumping 0.63% to 0.7862 against USD**.
- **We turn bearish on AUD against USD**, anticipating renewed weakness in the markets to dampen demand for higher-yielding assets. AUDUSD is technically neutral and could go either direction; a close above 0.7894 is needed to sustain further gains, otherwise, declines are more likely and targets a drop below 0.7819.

SGD

- **SGD** was also firmer on the back of firmer risk appetite, beating 8 G10s and **climbing 0.35% to 1.3231 against USD**.
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Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets
Level 8, Menara Hong Leong
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email: HLMarkets@hbb.hongleong.com.my

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