

Global Markets Research

Daily Market Highlights

Key Takeaways

- **Market jittery abated somewhat overnight** in the absence of fresh negative catalysts while Trump's newly appointed Economic Adviser Larry Kudlow's reiteration on the President's favour over a stronger greenback kept USD strength intact.
- **Data flow was rather scanty and primarily came from the US.** Initial jobless claims fell 4k to 226k in the week ended 10-March reaffirming a tightening labour market and reinforcing the case for a Fed rate hike next week. Regional surveys were mixed, with the New York state showing a pick-up in manufacturing but business outlook in Philadelphia turned a little softer. Home builders confidence also tapered off to a 4-month low.
- **USD rebounded to beat 8 G10s** while the Dollar Index rallied 0.48% to 90.13 on the back of speculation that new White House economic advisor Larry Kudlow favours a strong greenback, on top of relatively decent US data. **We turn bullish on USD**, likely to remain supported by speculation that a strong greenback is favoured; expect firm US data to further buoy USD. DXY has overturned its bearish bias; a minor bullish trend prevails while above 90.05, and DXY is likely to challenge 90.58 in the next leg higher.
- **MYR weakened 0.3% to 3.9177 against USD** and fell against 6 G10, overturning early gains into losses as market sentiment retreated. **MYR remains bearish against USD** amid lack of buying interest going into the week's close. Some retracements cannot be ruled out after today's sharply higher opening, but we reckon that USDMYR has turned technically bullish. The pair is now likely targeting a test at 3.9402 in the next leg higher.
- **SGD fell 0.32% to 1.3135 against a firm USD** but managed to advance against 6 G10s. **We turn bearish on SGD on the back of a firmer USD.** Strong rally overnight has tilted USDSGD towards the upside. There is room to climb to 1.3198 in the next leg higher, above which 1.3214 will be tested.

Overnight Economic Data

US 
New Zealand 

What's Coming Up Next

Major Data

- US housing starts, industrial production , Uni Michigan consumer sentiment
- Eurozone CPI
- Japan industrial production

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.2268	1.2295	1.2302	1.2322	1.2355	↘
USDJPY	105.59	106.00	106.03	106.08	106.38	↘
GBPUSD	1.3928	1.3950	1.3972	1.3979	1.4000	↗
AUDUSD	0.7731	0.7750	0.7777	0.7809	0.7822	↘
EURGBP	0.8810	0.8821	0.8835	0.8845	0.8864	↘
USDMYR	3.9182	3.9215	3.9268	3.9313	3.9355	↗
EURMYR	4.8200	4.8252	4.8293	4.8349	4.8436	↘
JPYMYR	3.6895	3.7000	3.7046	3.7096	3.7200	↗
GBPMYR	5.4523	5.4600	5.4667	5.4679	5.4747	↘
SGDMYR	2.9756	2.9811	2.9839	2.9879	2.9938	↘
AUDMYR	3.0422	3.0500	3.0526	3.0574	3.0600	↘
NZDMYR	2.8440	2.8473	2.8484	2.8520	2.8594	↘
USDSGD	1.3132	1.3142	1.3159	1.3174	1.3198	↗
EURSGD	1.6150	1.6172	1.6186	1.6206	1.6212	↘
GBPSGD	1.8300	1.8317	1.8321	1.8337	1.8350	↗
AUDSGD	1.0200	1.0210	1.0233	1.0258	1.0280	↘

*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	1845.27	-0.6	2.7	CRB Index	193.89	-0.31	0.0
Dow Jones Ind.	24873.66	0.5	0.6	WTI oil (\$/bbl)	61.19	0.38	1.3
S&P 500	2747.33	-0.1	2.8	Brent oil (\$/bbl)	65.12	0.35	-2.6
FTSE 100	7139.76	0.1	-7.1	Gold (S/oz)	1316.10	-0.66	1.0
Shanghai	3291.11	0.0	-0.5	CPO (RM/tonne)	2417.50	0.98	1.2
Hang Seng	31541.10	0.3	5.4	Copper (\$/tonne)	6920.00	-0.98	-4.5
STI	3517.73	-0.6	3.4	Rubber (sen/kg)	473.00	-0.84	2.3

Source: Bloomberg

➤ Macroeconomics

Economic Data

	For	Actual	Last	Survey
US Empire Manufacturing	Mar	22.5	13.1	15.0
US Initial Jobless Claims	Mar 10	226k	231k	228k
US Philly Fed Business Outlook	Mar	22.3	25.8	23.0
US NAHB Housing Market Index	Mar	70.0	72.0	72.0
NZ BusinessNZ Manufacturing	Feb	53.4	54.4	--

Source: Bloomberg

- Limited data are released overnight and focus is mainly on the US. Initial jobless claims fell to 226k in early March (24 Feb: 231k) which is in line with expectations of a tightening labour market. Overall, the data coincides with readings of non-farm payroll, unemployment rate and wage growth last week, signifying that a stable labour market will continue to drive growth in the US economy.
- The manufacturing sectors are showing positive signs in the East Coast. The New York Empire Manufacturing jumped to 22.5 in March (Feb: 13.1) beating expectations, indicating that manufacturing conditions have improved substantially in the area. The Philadelphia Fed Business Outlook on the other hand eased to register a reading of 22.3 in March (Feb: 25.8) due to a drop 6-month outlook for capex as well as in both prices paid and received. Generally, both surveys shows that the manufacturing industry is holding up decently.
- Confidence in homebuilder outlook slowed to a 4-month low as the NAHB Housing Market Index recorded a reading of 70 (Feb: 72) General builders sentiment remains optimistic but there are certain challenges in finding builders lots.
- Manufacturing sector in New Zealand expanded as well in Feb-18 despite a tad softer at 53.4 (Jan: 54.4). Production is fairly flat but employment has improved in the month. The New Zealand economy grew slower by 2.9% YOY in 2017 as reported yesterday. We expect the slowdown to continue and the economy to expand moderately moving forward.

Economic Calendar Release Date

Country	Date	Event	Reporting Period	Survey	Prior	Revised
US	16/3	Housing Starts MoM	Feb	-2.7%	9.7%	--
		Building Permits	Feb	-4.1%	7.4%	5.9%
		Industrial Production MoM	Feb	0.4%	-0.1%	--
		U. of Mich. Sentiment	Mar P	99.2	99.7	--
Eurozone	16/3	CPI MoM	Feb	0.2%	-0.9%	-0.9%
	19/3	Construction Output MoM	Jan	--	0.1%	--
Japan	16/3	Trade Balance SA	Jan	--	23.8b	--
	19/3	Industrial Production YoY	Jan F	--	2.7%	--
China	16-18/3	Trade Balance	Feb	¥171.6b	-¥943.4b	-¥944.1b
		FDI YOY	Feb	--	0.3%	--
Hong Kong	19/3	Unemployment rate	Feb	--	2.9%	--
Singapore	16/3	Non-oil Domestic Exports YoY	Feb	4.8%	13.0%	--
New Zealand	19/3	Performance of Services Index	Feb	--	55.8	--
	19-23/3	Westpac Consumer Confidence	1Q	--	107.4	--

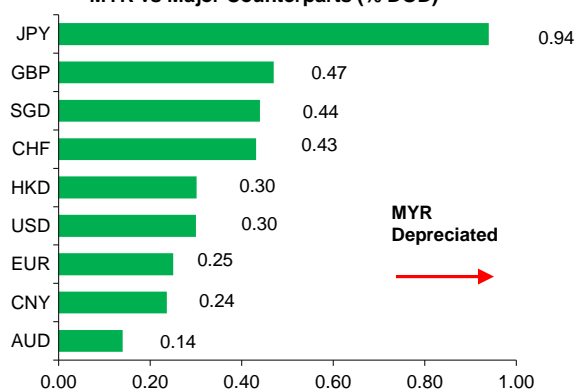
Source: Bloomberg

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.2305	-0.51	1.2384	1.2300	-2.5
USDJPY	106.34	-0.02	106.41	105.79	-5.8
GBPUSD	1.3937	-0.18	1.3989	1.3922	-3.1
AUDUSD	0.7798	-1.00	0.7885	0.7795	-0.4
EURGBP	0.8830	-0.32	0.8874	0.8824	-0.6
USDMYR	3.9177	-0.30	3.9200	3.9005	-3.0
EURMYR	4.8423	-0.25	4.8512	4.8263	-0.3
JPYMYR	3.6954	-0.94	3.7021	3.6744	-2.9
GBPMYR	5.4729	-0.47	5.4814	5.4486	-0.1
SGDMYR	2.9917	-0.44	2.9918	2.9801	-1.5
AUDMYR	3.0835	-0.14	3.0891	3.0738	-3.4
NZDMYR	2.8691	-0.31	2.8733	2.8532	-1.0

Source: Bloomberg

MYR vs Major Counterparts (% DOD)



Forex

MYR

- **MYR weakened 0.3% to 3.9177 against USD** and fell against 6 G10, overturning early gains into losses as market sentiment retreated.
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USD

- **USD rebounded to beat 8 G10s** while the Dollar Index rallied 0.48% to 90.13 on the back of speculation that new White House economic advisor Larry Kudlow favours a strong greenback, on top of relatively decent US data.
- **We turn bullish on USD**, likely to remain supported by speculation that a strong greenback is favoured; expect firm US data to further buoy USD. DXY has overturned its bearish bias; a minor bullish trend prevails while above 90.05, and DXY is likely to challenge 90.58 in the next leg higher.

EUR

- **EUR tumbled 0.51% to 1.2305 against a rebounding USD** and fell against 5 G10s.
- **EUR is now bearish against firm USD** as buying interest returns to the greenback; caution that any downward revision to Eurozone CPI will trigger further sell-off. EURUSD's upside bias ended earlier than we had expected. The pair is now poised to break below 1.2295, which if true will trigger a drop to 1.2213 in the next leg lower.

GBP

- **GBP advanced against 6 G10s**, supported by demand for refuge as European majors sagged but **slipped 0.18% to 1.3937 against a firm USD**.
- **We turn bearish on GBP against a firm USD**. Technical viewpoint suggests that GBPUSD is at the end of its minor bullish trend, and risks declines going forward. Failure to break above 1.3972 will encourage the bears and take GPBUSD lower to 1.3823.

JPY

- **JPY** was also supported by firmer refuge demand to beat 7 G10s but **slipped 0.02% to 106.34 against USD**.
- **Stay bullish on JPY against USD** as risk aversion in the FX space given an invigorated greenback supports refuge demand. USDJPY remains pressured while below 106.05; expect the pair to test 105.54 next, below which a drop to 105 is likely.

AUD

- **AUD slumped 1.00% to 0.7798 against a rebounding USD** and fell against all G10s, weighed down by declines in commodities.
- **Turn bearish on AUD against a firm USD**, likely to be further weighed down by risk aversion going into the week's close. AUDUSD was rejected earlier than we expect, and is now tilted to the downside. Expect the pair to target 0.7730 in the next leg lower, below which there is a risk of sliding lower to 0.7645.

SGD

- **SGD fell 0.32% to 1.3135 against a firm USD** but managed to advance against 6 G10s.
- **We turn bearish on SGD on the back of a firmer USD**. Strong rally overnight has tilted USDSGD towards the upside. There is room to climb to 1.3198 in the next leg higher, above which 1.3214 will be tested.

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