

Global Markets Research

Daily Market Highlights

Key Takeaways

- **Economic data flow was largely skewed to the downside, with the exception of the widening trade surplus in Eurozone**, as the pace of decline in imports outpaced the rate of decrease in exports. This latest set of trade numbers added on to signs of softer growth momentum in 1Q18.
- **The surprised 2.7% YOY decline in China exports in March took center stage.** On the other hand, imports quickened more than expected by 14.4% YOY, pushing the trade balance into deficit. This was mainly a result of seasonal distortion arising from the Chinese New Year festivities and we still believe the China economy is on track to grow above target in 1Q, where the 1Q GDP readings and other first tier indicators are released tomorrow.
- **USD ended mixed against the G10s** but with softer losses versus gains. The DXY managed to inch 0.05% higher towards closing to settle at 89.80. **Expect a slightly bullish USD** as risk aversion from escalated tensions in Syria following US strikes appears to be receding; a firm set of US data will boost demand further. We maintain that there is room for DXY test 89.88. We caution that though DXY has shrugged off a bearish trend, it remains fragile and prone to renewed weakness, especially if it continues to fail at 89.88.
- **MYR eased 0.09% to 3.8798 against USD** and slipped against 7 G10s on continued retreat in buying interest going into the weekend. **MYR remains slightly bearish against USD**; though risk appetite appears to be improving, we reckon markets are likely to remain wary of renewed geopolitical tensions, thus capping demand for MYR. USDMYR remains tilted to the upside, and there is now room for a test at 3.8834. Breaking above this exposes a move to 3.8911.
- **SGD inched 0.04% firmer to 1.3121 against USD** and advanced against 8 G10s with the support from firmer risk appetite in the markets. **We maintain a slightly bearish view on SGD against a rebounding USD.** With mild upside momentum holding on, we reckon that there is room for USDSGD to climb higher, following through its recent bounce off 1.3070. Expect a potential test at 1.3153 going forward.

Overnight Economic Data

US	↓
Eurozone	↑
UK	↓
China	↓
New Zealand	↓

What's Coming Up Next

Major Data

- US Retails sales
- US Empire manufacturing
- US NAHB housing market index

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.2306	1.2319	1.2336	1.2345	1.2370	↘
USDJPY	107.00	107.24	107.43	107.68	107.84	↗
GBPUSD	1.4200	1.4233	1.4249	1.4278	1.4300	↗
AUDUSD	0.7759	0.7770	0.7779	0.7788	0.7800	↗
EURGBP	0.8630	0.8650	0.8655	0.8663	0.8670	↘
USDMYR	3.8748	3.8765	3.8790	3.8815	3.8850	↗
EURMYR	4.7800	4.7846	4.7863	4.7906	4.7936	↗
JPYMYR	3.6033	3.6061	3.6109	3.6166	3.6226	↗
GBPMYR	5.5113	5.5200	5.5289	5.5344	5.5470	↗
SGDMYR	2.9540	2.9551	2.9569	2.9572	2.9600	↗
AUDMYR	3.0092	3.0117	3.0165	3.0222	3.0250	↗
NZDMYR	2.8448	2.8475	2.8524	2.8582	2.8600	↘
USDSGD	1.3100	1.3111	1.3118	1.3137	1.3153	↗
EURSGD	1.6153	1.6173	1.6182	1.6191	1.6200	↗
GBPSGD	1.8665	1.8680	1.8696	1.8716	1.8732	↗
AUDSGD	1.0169	1.0188	1.0201	1.0210	1.0221	↗

* 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	1868.47	-0.3	4.0	CRB Index	199.70	0.20	3.0
Dow Jones Ind.	24360.14	-0.5	-1.5	WTI oil (\$/bbl)	67.39	0.48	11.5
S&P 500	2656.30	-0.3	-0.6	Brent oil (\$/bbl)	72.58	0.78	8.1
FTSE 100	7264.56	0.1	-5.5	Gold (\$/oz)	1346.20	0.84	3.2
Shanghai	3159.05	-0.7	-4.5	CPO (RM/tonne)	2411.00	-0.54	0.9
Hang Seng	30808.38	-0.1	3.0	Copper (\$/tonne)	6830.00	0.13	-5.8
STI	3501.30	0.9	2.9	Rubber (sen/kg)	447.50	-0.22	-3.2

Source: Bloomberg

Economic Data

	For	Actual	Last	Survey
US U. of Michigan Consumer Sentiment Index	Apr P	97.8	101.4	100.3
EU Trade Balance SA	Feb	€21.0b	€20.2b (revised)	€20.2b
UK Rightmove House Prices YOY	Apr	1.6%	2.1%	--
CN Trade Balance	Mar	-\$4.98b	\$33.45b (revised)	\$27.50b
CN Import YOY	Mar	14.4%	6.1% (revised)	12.0%
CN Export YOY	Mar	-2.7%	44.1% (revised)	11.8%
NZ Performance Services Index	Mar	58.8	55.3 (revised)	--

Source: Bloomberg

➤ Macroeconomics

- Preliminary reading of the University of Michigan Sentiment Index shows that sentiments in the US weakened but remained relatively high. The reading fell to 97.8 in April from 101.4 in March as both subcomponents – current economic conditions and consumer expectations dropped. Current economic conditions fell to 115.0 (Mar: 121.2) as respondents worried about the potential impact of Trump's trade policy on the US economy. Consumer expectations meanwhile slipped to 86.8 (Mar: 88.8). Respondents' expectation of rising interest rates having a hampering effect on economic growth is the key factor contributing to the slight decline in consumer expectations.
- Eurozone trade surplus widened to €21.0b in February (March: €20.2b revised). Both import and export decreased with the former surpassed that of the latter. Import decreased by 3.1% MOM while export dropped 2.3% MOM. The fall in export coincides with the weak industrial productions as well as softer PMI readings which have been declining on a monthly basis since December 2017, signaling a softer growth momentum for 1Q2018.
- Housing markets in the UK cooled down as the Rightmove house prices rose a mere 0.4% MOM in April (March: +1.5%) which brings the annual growth to 1.6% YOY (March: +2.1%). Average property price stood at £305.7k. The figures are in line with the Halifax house prices released last week as well as easing mortgages approvals and home sales, indicating that the UK housing markets will continue to slow down amidst weak demand.
- China monthly trade balance swung from a surplus of \$33.45b (revised) in February to a deficit of \$4.98b in March. Growth in import accelerated to increase 14.4% YOY (Feb: +6.3%) amidst strong domestic demand while export decreased 2.7% YOY (Feb: +44.1% revised). The contraction in export is attributed to seasonal factor and spillover effect from the Lunar New Year which was celebrated in February.
- New Zealand services sector expanded at a faster pace in March. The Performance of Services Index rose to 58.8 (Feb: 55.3 revised) as activities/sales improved tremendously.

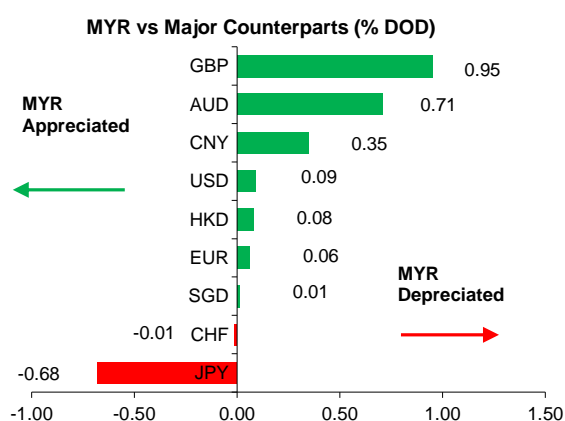
Economic Calendar Release Date						
Country	Date	Event	Reporting Period	Survey	Prior	Revised
US	16/4	Retail Sales Advance MOM	Mar	0.4%	-0.1%	--
		Empire Manufacturing	Apr	18.6	22.5	--
		NAHB Housing Market Index	Apr	70	70	--
	17/4	Housing Starts MOM	Mar	2.4%	-7.0%	--
		Building Permits MOM	Mar	0.3%	-5.7%	-4.1%
		Industrial Production MOM	Mar	0.4%	1.1%	0.9%
Eurozone	17/4	Zew Survey Expectations	Apr	--	13.4	--
UK	17/4	Jobless Claims Change	Mar	--	9.2k	--
		ILO Unemployment Rate 3mths	Feb	--	4.3%	--
Japan	17/4	Industrial Production YOY	Feb F	--	1.4%	--
		Nationwide Dept Sales YOY	Mar	--	-0.9%	--
China	17/4	GDP YOY	1Q	6.8%	6.8%	--
		Retail Sales YOY	Mar	9.8%	9.4%	--
		Industrial Production YOY	Mar	6.5%	6.2%	--
Singapore	17/4	Non-oil Domestic Exports YOY	Mar	--	-5.9%	--

Source: Bloomberg

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.2331	0.03	1.2346	1.2307	2.7
USDJPY	107.35	0.02	107.78	107.21	-4.6
GBPUSD	1.4238	0.07	1.4297	1.4221	5.4
AUDUSD	0.7764	0.13	0.781	0.7753	-0.5
EURGBP	0.8662	-0.02	0.8666	0.8628	-2.5
USDMYR	3.8798	0.09	3.8822	3.8730	-4.2
EURMYR	4.7865	0.06	4.7915	4.7752	-1.3
JPYMYR	3.6054	-0.68	3.6168	3.6029	0.4
GBPMYR	5.5420	0.95	5.5470	5.5153	1.1
SGDMYR	2.9580	0.01	2.9629	2.9545	-2.4
AUDMYR	3.0240	0.71	3.0273	3.0057	-4.7
NZDMYR	2.8670	0.17	2.8696	2.8577	-1.0

Source: Bloomberg



Forex

MYR

- **MYR eased 0.09% to 3.8798 against USD** and slipped against 7 G10s on continued retreat in buying interest going into the weekend.
- **MYR remains slightly bearish against USD**; though risk appetite appears to be improving, we reckon markets are likely to remain wary of renewed geopolitical tensions, thus capping demand for MYR. USDMYR remains tilted to the upside, and there is now room for a test at 3.8834. Breaking above this exposes a move to 3.8911.

USD

- **USD ended mixed against the G10s** but with softer losses versus gains, the DXY managed to inch 0.05% higher towards closing to settle at 89.80.
- **Expect a slightly bullish USD** as risk aversion from escalated tensions in Syria following US strikes appears to be receding; a firm set of US data will boost demand further. We maintain that there is room for DXY to test 89.88. We caution that though DXY has shrugged off a bearish trend, it remains fragile and prone to renewed weakness, especially if it continues to fail at 89.88.

EUR

- **EUR reversed early losses and advanced in US session to inch 0.03% higher to 1.2331 against USD** and bested 7 G10s on firmer risk appetite in Europe.
- **EUR is slightly bearish against a potentially firmer USD**. We maintain that EURUSD may have exhausted its recent upside strength after failure to break 1.2400. EURUSD must close above 1.2356 today to reinstate its bullish trend, otherwise we expect a test at 1.2273 soon.

GBP

- **GBP remains supported by recent risk-off developments, rising against 8 G10s and notching 0.07% higher to 1.4238 against USD**.
- **Stay slightly bullish on GBP against USD**, supported by refuge demand on potentially renewed weakness in European majors. GBPUUSD is likely to hold above 1.4228 in the next couple of days but we continue to caution that current uptrend is near the final leg. Price-momentum divergence suggests a reversal soon, possibly targeting 1.4107.

JPY

- **JPY fell against 5 G10s and dipped 0.02% to 107.35 against USD** as demand for refuge retreated.
- **Stay bearish on JPY against a potentially firmer USD** as refuge demand recedes. Technically, USDJPY remains within a bullish trend that could see it test 108 next.

AUD

- **AUD continues to be supported by rising risk appetite in the markets, beating all G10s and climbing 0.13% to 0.7764 against USD**.
- **Expect a slightly bullish AUD against USD**, supported by firmer risk appetite in the markets. Despite improving upside bias, we continue to caution that AUDUSD is near the end of its bullish trend. While gains could still prevail until the next rejection, which could be near 0.7800, we opine that upsides may be modest.

SGD

- **SGD inched 0.04% firmer to 1.3121 against USD** and advanced against 8 G10s with the support from firmer risk appetite in the markets.
- **We maintain a slightly bearish view on SGD against a rebounding USD**. With mild upside momentum holding on, we reckon that there is room for USDSGD to climb higher, following through its recent bounce off 1.3070. Expect a potential test at 1.3153 going forward.

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