

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **US data was largely positive. Initial jobless claims unexpectedly fell to 222k** for the week ended 17-Feb while continuous claims retreated to its lowest in six weeks, **reaffirming continuous recovery in the US job market** that would allow the Fed to proceed with its policy normalization plans. **Leading index also ticked higher to 1.0% for the month of January, its best in three months** driven by new orders, jobless claims and building permits, suggesting the US economy is poised to expand further in the next 3-6 months. Another release from **Kansas City Fed** was also positive, revealing that **manufacturing activities have continued to pick up steam in February**.
- **UK preliminary estimate of 4Q GDP showed a lower than expected gain of 0.4% QOQ and 1.4% YOY as slower increase in private consumption (+0.3% vs +0.4%)** offset quicker gains in government spending and investment. Meanwhile, faster increase in imports and a decline in exports also exerted a drag on overall growth. In a separate release, index of services stagnated in December (Nov: +0.4% MOM), adding to signs of sluggishness in the services industries.
- **MYR slipped 0.06% to 3.9060 against a firmer USD** but managed to advance against 8 G10s. **We stay bearish on MYR against USD** amid potential dip in buying interest amid risk-off going into the week's close. USDMYR is still tilted to the upside, with scope to test 3.9274 in the next leg higher. Beating this level exposes a move to 3.9430.
- **USD fell against 9 G10s** while the DXY tumbled in US session to close 0.29% at 89.73, likely a retracement to the rally a day before. **Stay bullish on USD** despite overnight pullback, supported by recent positive tone of FOMC minutes that has likely improved rate hike expectations. DXY continues to take aim at 90.56; beating this completes a bullish sign that could trigger a rally to circa 91.70 – 92.00 before relenting. However, this view will be invalidated by DXY closing below 89.09 today.
- **SGD ended mixed against the G10s** as losses from Asian / European sessions were pared and **advanced 0.34% to 1.3192 against USD**. **Stay bearish on SGD against USD**, weighed down by potential return of risk-off in the markets. Unless USDSGD closes below 1.3135 today, we maintain that USDSGD is taking aim at 1.3304 next. Note that breaking above 1.3304 completes a bullish signal that could trigger an advance to 1.3408.

#### Overnight Economic Data

Malaysia	↓
US	↑
UK	↓
Hong Kong	→

#### What's Coming Up Next

##### Major Data

- EU CPI
- Japan CPI, PPI services
- Singapore CPI

##### Major Events

- Nil

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.2260	1.2300	1.2328	1.2343	1.2380	↘
USDJPY	106.04	106.59	106.86	106.95	107.17	↗
GBPUSD	1.3900	1.3932	1.3951	1.3972	1.4000	↘
AUDUSD	0.7800	0.7819	0.7835	0.7856	0.7861	↘
EURGBP	0.8823	0.8828	0.8835	0.8838	0.8845	↘
USDMYR	3.9005	3.9043	3.9053	3.9070	3.9100	↗
EURMYR	4.8100	4.8114	4.8132	4.8156	4.8185	↘
JPYMYR	3.6467	3.6500	3.6519	3.6560	3.6600	↘
GBPMYR	5.4369	5.4447	5.4475	5.4532	5.4574	↘
SGDMYR	2.9550	2.9580	2.9595	2.9600	2.9630	↘
AUDMYR	3.0500	3.0562	3.0592	3.0600	3.0645	↘
NZDMYR	2.8551	2.8580	2.8587	2.8615	2.8679	↘
USDSGD	1.3175	1.3181	1.3194	1.3200	1.3220	↗
EURSGD	1.6226	1.6250	1.6263	1.6270	1.6291	↘
GBPSGD	1.8360	1.8370	1.8405	1.8408	1.8432	↘
AUDSGD	1.0300	1.0320	1.0338	1.0342	1.0357	↘

\*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	1855.1	-0.2	3.2	CRB Index	195.3	0.56	0.7
Dow Jones Ind.	24962.5	0.7	1.0	WTI oil (\$/bbl)	62.7	1.77	3.8
S&P 500	2704.0	0.1	1.1	Brent oil (\$/bbl)	66.4	1.48	-0.7
FTSE 100	7252.4	-0.4	-5.7	Gold (\$/oz)	1332.2	0.60	2.2
Shanghai	3268.6	2.2	-1.2	CPO (RM/tonne)	2494.0	-0.22	4.4
Hang Seng	30965.7	-1.5	3.5	Copper (\$/tonne)	7119.0	0.41	-1.8
STI	3488.5	-0.8	2.5	Rubber (sen/kg)	458.0	2.58	-1.0

Source: Bloomberg

## ➤ Macroeconomics

### Economic Data

	For	Actual	Last	Survey
MY foreign reserves	Feb 15	\$103.6b	\$103.7b	--
US initial jobless claims	Feb 17	222k	229k	230k
US leading index	Jan	1.0%	0.6%	0.7%
US Kansas City Fed manufacturing	Feb	17	16	18
UK GDP QOQ	4Q P	0.4%	0.5%	0.5%
UK index of services	Dec	0.0%	0.0%	0.4%
HK unemployment rate	Jan	2.9%	2.9%	2.9%
HK CPI YOY	Jan	1.7%	1.7%	1.8%

Source: Bloomberg

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- Hong Kong CPI and jobless rate stabilized at 1.7% YOY and 2.9% in January respectively. Food and housing prices reported sustained gains of 2.3% YOY and 2.5% YOY respectively (Dec: +2.4% and +2.5%), offsetting a jump in utilities (+10.2% vs +0.0%) and clothing & footwear (+2.6% vs +1.4%) on top of a moderation in transport prices (+1.4% vs +1.7%) and decline in miscellaneous services (-1.5% vs +0.1%).
- Malaysia foreign reserves retreated marginally by \$0.1bn to \$103.6bn as at 15-Feb, but remained sufficient to finance 7.1 months of retained imports and is 1.1x the short term external debt. Sustained trade surplus and funds inflows will continue to keep reserves at healthy levels to weather any untoward external events.

### Economic Calendar Release Date

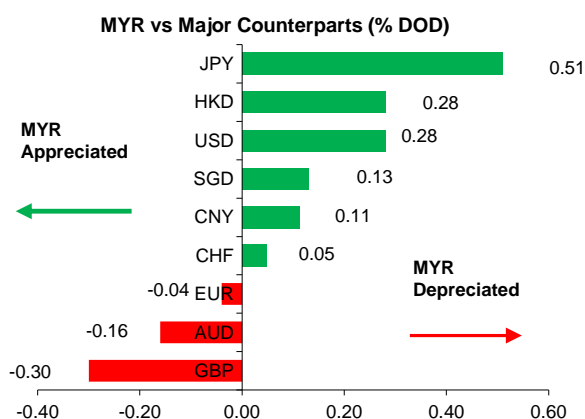
Country	Date	Event	Reporting Period	Survey	Prior	Revised
US	26/2	Chicago Fed national activity index	Jan	0.25	0.27	--
		New home sales MOM	Jan	3.4%	-9.3%	--
		Dallas Fed manufacturing index	Feb	30.0	33.4	--
Eurozone	23/2	CPI YOY	Jan F	1.3%	1.4%	--
Japan	23/2	National CPI YOY	Jan	1.3%	1.0%	--
		PPI services YOY	Jan	0.8%	0.8%	--
		Leading index	Dec F	--	107.9	--
Singapore	23/2	Coincident index	Dec F	--	120.7	--
		CPI YOY	Jan	0.4%	0.4%	--
	26/2	Industrial production YOY	Jan	7.8%	-3.9%	--

Source: Bloomberg

### FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.2330	0.37	1.2352	1.2260	2.7
USDJPY	106.75	-0.96	107.78	106.60	-5.2
GBPUSD	1.3956	0.27	1.3989	1.3857	3.2
AUDUSD	0.7846	0.54	0.786	0.7791	0.4
EURGBP	0.8836	0.11	0.8864	0.8823	-0.5
USDMYR	3.9170	0.28	3.9215	3.9075	-3.4
EURMYR	4.8158	-0.04	4.8186	4.7984	-0.6
JPYMYR	3.6522	0.51	3.6556	3.6303	1.8
GBPMYR	5.4402	-0.30	5.4532	5.4352	-0.2
SGDMYR	2.9611	0.13	2.9629	2.9504	-2.1
AUDMYR	3.0629	-0.16	3.0645	3.0465	-3.1
NZDMYR	2.8713	0.01	2.8728	2.8580	-0.5

Source: Bloomberg



## Forex

### MYR

- **MYR slipped 0.06% to 3.9060 against a firmer USD** but managed to advance against 8 G10s.
- **We stay bearish on MYR against USD** amid potential dip in buying interest amid risk-off going into the week's close. USDMYR is still tilted to the upside, with scope to test 3.9274 in the next leg higher. Beating this level exposes a move to 3.9430.

### USD

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- **Stay bullish on USD** despite overnight pullback, supported by recent positive tone of FOMC minutes that has likely improved rate hike expectations. DXY continues to take aim at 90.56; beating this completes a bullish sign that could trigger a rally to circa 91.70 – 92.00 before relenting. However, this view will be invalidated by DXY closing below 89.09 today.

### EUR

- **EUR was buoyed by softer USD to advance 0.37% to 1.2330** and rose against 5 G10s.
- **Keep a bearish view on EUR against a potentially firmer USD;** signs of pick-up in Eurozone CPI could trigger a EUR rally. Technical signals continue to suggest that EURUSD is poised for a drop to 1.2212. Caution that breaking below this level completes a bearish signal that could send EURUSD towards 1.2020 in the coming weeks.

### GBP

- **GBP** was lower against 6 G10s on softer than expected UK GDP data but **climbed 0.27% to 1.3956 against USD**.
- Despite overnight rebound, **we still expect a bearish GBP against USD** in the absence of positive catalysts to drive further gains. GBPUSD is still slightly tilted to the downside unless it manages to close above 1.4000 today. Caution that a close below 1.3887 could be the onset of a decline that takes aim at 1.3766.

### JPY

- **JPY** advanced against all G10s and **strengthened 0.96% to 106.75 against USD**, buoyed by gains from risk aversion in Asian / European markets.
- **JPY remains slightly bearish in our view against USD.** Unless USDJPY closes below 106.59 today, minor bullish trend continues to prevail and suggests a climb to 107.84 – 108.54 going forward. However, we remain skeptical that higher climbs can be made thereafter.

### AUD

- **AUD** was boosted by rallies in related commodities to beat 7 G10s and **strengthened 0.54% to 0.7846 against USD**.
- **We keep a bearish view on AUD against USD** as risk aversion lingers in the markets. AUDUSD remains within a minor bearish trend and inclined to further downsides unless it closes above 0.7913 today. The pair continues to take aim at 0.7743 next, with scope to fall to as low as 0.7717 before a modest rebound.

### SGD

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