

Global Markets Research

Daily Market Highlights

Key Takeaways

- **US markets were out for Thanksgiving holiday and European equity came under pressure** yesterday and ended mostly in the red. In the UK, **the pound jumped on news that the EU and the UK have reached a deal** on the outlines of their future relationship **ahead of an official EU summit on Sunday** where leaders are expected to sign off on the draft text. Brent crude failed to sustain Wednesday's momentum and instead slid further to \$62.60/barrel (-1.4%).
- **There were limited data releases overnight - The flash European Commission Consumer Confidence Index fell to -3.9 in November, the lowest level since March 2017** and marking its sixth consecutive month in the negative territory, driven by concerns over slower Eurozone as well as global economic growth, uncertainties surrounding global trade policy as well as rising volatility in the financial markets. The final reading of **Japan machine tool orders** growth was revised from -1.1% to -0.7% YOY in October, marking **its first decline since Jan-16** on the back of unfavourable base. **Malaysia foreign reserves rose \$0.4b to \$102.1b as at 15 November** sufficient to finance 7.7 months of retained imports and is 1 time short-term external debt.
- **USD slipped against 6 G10s** on a lack of buying support as US market was closed for Thanksgiving. The DXY trended lower through all sessions but managed to recover from a sharp drop in European morning, closing 0.24% lower at 96.48. **USD remains slightly bearish** on softer refuge demand and as markets contemplate chances of further Fed tightening as recent downsides in equities and commodities. Technical perspective continues to point to a softer DXY. Losses could extend, with room to drop to circa 96.30 going forward.
- **MYR eased 0.05% to 4.1960 against USD** and mildly against 5 G10s on the back of still cautious sentiment in the region. **Stay neutral on MYR against USD** with scope for mild losses as regional markets are likely to turn more risk averse heading into the week's close. Technical viewpoint suggests USDMYR remains biased to the upside, though we are still skeptical on how much more gain there is left given how neutral momentum currently is. A drop below 4.1915 will alter the technical landscape to a bearish tone, targeting 4.1850.
- **SGD** was similarly weighed down by cautious sentiment in equities, **sliding 0.03% to 1.3731 against USD** and retreated against 7 G10s. **Stay slightly bullish on SGD in anticipation of a softer USD** and amid support from receding risk appetite in the markets. Bearish trend continues to prevail and thus we expect further downsides. Caution on potential rejection near 1.3740 – 1.3744 that could trigger a drop to circa 1.3700.

Overnight Economic Data

Malaysia	↑
Eurozone	↓
Japan	↓

What's Coming Up Next

Major Data

- Malaysia CPI
- US Markit Manufacturing PMI, Services PMI
- Eurozone Markit Manufacturing PMI, Services PMI
- Japan Nikkei Manufacturing PMI
- Singapore CPI

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1388	1.1400	1.1404	1.1416	1.1423	↗
USDJPY	1.2850	1.2867	1.2876	1.2898	1.2907	↗
GBPUSD	112.64	112.80	112.97	113.10	113.23	↘
AUDUSD	0.7218	0.7229	0.7250	0.7268	0.7287	↘
EURGBP	0.8826	0.8838	0.8855	0.8867	0.8890	↘
USDMYR	4.1950	4.1970	4.1980	4.2005	4.2020	→
EURMYR	4.7816	4.7850	4.7867	4.7875	4.7900	↗
JPYMYR	3.7125	3.7150	3.7160	3.7180	3.7200	→
GBPMYR	5.3998	5.4037	5.4054	5.4073	5.4106	↗
SGDMYR	3.0533	3.0555	3.0570	3.0596	3.0605	→
AUDMYR	3.0367	3.0400	3.0437	3.0465	3.0484	→
NZDMYR	2.8500	2.8546	2.8595	2.8605	2.8639	→
USDSGD	1.3717	1.3725	1.3734	1.3744	1.3757	↘
EURSGD	1.5631	1.5641	1.5659	1.5680	1.5705	↗
GBPSGD	1.7619	1.7641	1.7683	1.7700	1.7726	↗
AUDSGD	0.9921	0.9944	0.9957	0.9976	0.9990	↘

* 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	1,695.62	0.01	-5.63	CRB Index*	185.00	0.66	-4.57
Dow Jones Ind.*	24,464.69	0.00	-1.08	WTI oil (\$/bbl)*	54.63	2.25	-9.91
S&P 500*	2,649.93	0.30	-0.89	Brent oil (\$/bbl)	62.60	-1.39	-6.39
FTSE 100	6,960.32	-1.28	-9.46	Gold (\$/oz)	1,228.64	0.21	8.10
Shanghai	2,645.43	-0.23	-20.01	CPO (RM/tonne)	1,716.00	-0.84	-28.20
Hang Seng	26,019.41	0.18	-13.03	Copper (\$/tonne)	6,235.00	0.82	-13.96
STI	3,041.38	0.09	-10.62	Rubber (sen/kg)	374.00	0.40	-19.14

Source: Bloomberg

*Last price on 21 Nov

Economic Data

	For	Actual	Last	Survey
MY Foreign Reserves	15 Nov	\$102.1b	\$101.7b	--
EU Consumer Confidence	Nov A	-3.9	-2.7	-3.0
JP Machine Tool Orders YOY	Oct F	-0.7%	2.9%	--

Source: Bloomberg

Macroeconomics

- **Eurozone consumer confidence deteriorated:** The flash European Commission Consumer Confidence Index fell to -3.9 in November (Oct: -2.7), the lowest level since March 2017 and marking its sixth consecutive month in the negative territory. The deteriorating consumer confidence for the past few months was driven by concerns over slower Eurozone as well as global economic growth, uncertainties surrounding global trade policy as well as rising volatility in the financial markets.
- **Japan machine tools orders fell on high base effect:** The final reading of Japan machine tool orders growth was revised from -1.1% to -0.7% YOY in October (Sep: +2.9%) marking its first decline since Jan-16 on the back of unfavourable base (orders rose an impressive 49.8% YOY in the same month last year). Breakdown shows that domestic demand provided much of the support rising 1.7% YOY (Sep: +5.6%) whereas foreign orders contracted 2.4% YOY (Sep: +1.1%).
- **Malaysia foreign reserves rebounded:** Foreign reserves rose to \$102.1b as at 15 November (previous: \$101.7b) sufficient to finance 7.7 months of retained imports and is 1 time short-term external debt.

Economic Calendar

Date	Country	Events	Reporting Period	Survey	Prior	Revised
23/11	Malaysia	CPI YOY	Oct	0.6%	0.3%	--
23/11	US	Markit US Manufacturing PMI	Nov P	55.7	55.7	--
		Markit US Services PMI	Nov P	55.0	54.8	--
26/11		Chicago Fed Nat Activity Index	Oct	--	0.17	--
		Dallas Fed Manf. Activity	Nov	25.0	29.4	--
23/11	Eurozone	Markit Manufacturing PMI	Nov P	52.0	52.0	--
		Markit Services PMI	Nov P	53.6	53.7	--
23/11	Japan	Nikkei Japan PMI Mfg	Nov P	--	52.9	--
26/11		Leading Index CI	Sep F	--	103.9	--
		Coincident Index	Sep F	--	114.6	--
26/11	Hong Kong	Exports YOY	Oct	--	4.5%	--
		Trade Balance HKD	Oct	--	-47.7b	--
23/11	Singapore	CPI YOY	Oct	0.8%	0.7%	--
26/11		Industrial Production YOY	Oct	--	-0.2%	--

Source: Bloomberg

Forex

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1403	0.17	1.1434	1.1382	-0.01
GBPUSD	1.2877	0.77	1.2927	1.2771	-0.69
USDJPY	112.95	-0.10	113.22	112.89	0.24
AUDUSD	0.7254	-0.12	0.7268	0.7234	-0.15
EURGBP	0.8855	-0.61	0.8923	0.8841	-0.30
USDMYR	4.1960	0.05	4.1960	4.1910	3.69
EURMYR	4.7850	0.22	4.7868	4.7724	-1.31
JPYMYR	3.7161	-0.03	3.7164	3.7066	3.37
GBPMYR	5.3643	-0.07	5.3662	5.3538	-1.82
SGDMYR	3.0547	0.03	3.0552	3.0504	0.85
AUDMYR	3.0382	-0.03	3.0484	3.0352	-3.91
NZDMYR	2.8498	-0.46	2.8660	2.8475	-1.04
CHFMYR	4.2211	0.01	4.2217	4.2134	1.74
CNYMYR	0.6049	0.03	0.6057	0.6044	-2.72
HKDMYR	0.5358	0.02	0.5358	0.5352	3.46
USDSGD	1.3731	0.03	1.3742	1.3722	2.78
EURSGD	1.5658	0.20	1.5693	1.5624	-2.45
GBPSGD	1.7683	0.82	1.7744	1.7534	-2.16
AUDSGD	0.9961	-0.08	0.9979	0.9937	-4.64

Source: Bloomberg

MYR

- **MYR eased 0.05% to 4.1960 against USD** and mildly against 5 G10s on the back of still cautious sentiment in the region.
- **Stay neutral on MYR against USD** with scope for mild losses as regional markets are likely to turn more risk averse heading into the week's close. Technical viewpoint suggests USDMYR remains biased to the upside, though we are still skeptical on how much more gain there is left given how neutral momentum currently is. A drop below 4.1915 will alter the technical landscape to a bearish tone, targeting 4.1850.

USD

- **USD slipped against 6 G10s** on a lack of buying support as US market was closed for Thanksgiving. The DXY trended lower through all sessions but managed to recover from a sharp drop in European morning, closing 0.24% lower at 96.48.
- **USD remains slightly bearish** on softer refuge demand and as markets contemplate chances of further Fed tightening as recent downsides in equities and commodities. Technical perspective continues to point to a softer DXY. Losses could extend, with room to drop to circa 96.30 going forward.

EUR

- **EUR climbed 0.17% to 1.1403 against a soft USD** and advanced against 6 G10s as sentiment in the European FX space improved following a political accord between the EU and the UK on post-Brexit relations.
- **Continue to expect a slightly bullish EUR in anticipation of USD staying soft**, further buoyed by improved sentiment in European FX space. Upward momentum continues to improve and EURUSD beating 1.1404 are signs of increased bullish bias. Expect EURUSD to soon test 1.1423, above which 1.1479 will be eyed.

GBP

- **GBP jumped 0.77% to 1.2877 against USD** and climbed to the top of the G10 list, boosted by improved Brexit sentiment following a political accord between the EU and the UK on post-Brexit relations.
- **Expect a bullish GBP against USD**, supported by much improved Brexit sentiment. However, we continue to caution that GBP remains highly sensitive to negative headlines that could quickly overturn recent gains. Fundamental intervention has overturned recent bearish technical outlook of GBPUSD. Expect a test at 1.2898 next, above which 1.2936 will be challenged.

JPY

- **JPY** remained supported by refuge demand amid cautious sentiment in equities and commodities, **inching 0.1% firmer to 112.95 against USD** and beating 5 G10s.
- **Continue to expect a bullish JPY in anticipation of a soft USD**. A bearish trend lingers, suggesting a lower USDJPY and potential downside break below 112.55 going forward.

AUD

- **AUD slipped 0.12% to 0.7254 against USD** and fell against 8 G10s, weighed down by cautious sentiment in equities and commodities markets.
- **We keep a slight bearish view on AUD against USD** as we anticipate extended weakness in equities and commodities. Gains, if any, will likely be modest and premising on a weak USD. Bearish trend continues to prevail in AUDUSD and suggests a drop below 0.7214 soon. A rally, if any, must beat 0.7294 today to overturn this bearish scenario.

SGD

- **SGD** was similarly weighed down by cautious sentiment in equities, **sliding 0.03% to 1.3731 against USD** and retreated against 7 G10s.
- **Stay slightly bullish on SGD in anticipation of a softer USD** and amid support from receding risk appetite in the markets. Bearish trend continues to prevail and thus we expect further downsides. Caution on potential rejection near 1.3740 – 1.3744 that could trigger a drop to circa 1.3700.

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