

Global Markets Research

Daily Market Highlights

Key Takeaways

- **Improving market sentiments seen in European and Asian trading sessions arising from US-China trade talks optimism failed to follow through into the US markets.** A last minute sell-off pushed US equities to end the day in the red and global bonds were seen largely bid up with yields ended lower, a sign of nervousness among investors. The Dollar Index rebounded as expected nonetheless after recent selloffs.
- **Economic releases remained very mixed and skewed to the negative side. US consumer confidence took a surprised dip in March** dampened by softer view on current condition and future expectations even though they are generally more upbeat over job market outlook. Survey also showed softer manufacturing optimism in Richmond district while house prices rose at a slightly faster pace amid lower supply in the US major cities. **Sentiments have also turned less upbeat in the Eurozone, adding to concerns the region may be on the top of its current growth cycle.**
- **USD rebounded to beat 9 G10s** while the DXY rallied through European session to close 0.39% higher at 89.37, supported by easing concerns over US-China trade war. **Stay slightly bullish on USD**, with room for further rebound if US data surprises to the upside. However, expect losses to accelerate on renewed concerns over US-China trade stand-off. If current minor bearish trend prevails, DXY is likely to slide below 89.02 going forward. In the meantime, we suspect there is room to extend its overnight rebound. A close above 89.50 will allay the said bearish trend and potentially set DXY on a course to 89.80.
- **MYR strengthened 0.47% to 3.8770 against a weakened USD** and advanced against all G10s. **We turn slightly bearish on MYR against USD**, anticipating extended rebound in the greenback going into European session. USDMYR remains tilted to the downsides but we caution on a potential rebound after recent sharp losses. Current minor bearish trend suggests there is room for a drop to 3.8471 in the coming days.
- **SGD slipped 0.08% to 1.3101 against a firmer USD** but managed to beat 9 G10s that also retreated on a stronger greenback. **Stay bullish on SGD against USD**, supported by improving risk appetite in the markets. Downside bias in USDSGD prevails and looks likely to break below 1.3072 going forward. Caution that this level could potentially bounce USDSGD higher thereafter.

Overnight Economic Data

US	→
Eurozone	↓
Hong Kong	↓
New Zealand	→

What's Coming Up Next

Major Data

- US 4Q GDP, MBA mortgage application, wholesale inventories, pending home sales
- UK CBI retailing reported sales

Major Events

- BNM Annual Report 2017

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.2370	1.2396	1.2414	1.2449	1.2462	↘
USDJPY	105.00	105.20	105.50	105.60	105.90	↗
GBPUSD	1.4127	1.4150	1.4176	1.4200	1.4219	↘
AUDUSD	0.7639	0.7650	0.7691	0.7704	0.7738	↘
EURGBP	0.8745	0.8753	0.8756	0.8766	0.8788	↗
USDMYR	3.8820	3.8850	3.8655	3.8896	3.8920	↗
EURMYR	4.7900	4.7941	4.7965	4.8021	4.8075	↘
JPYMYR	3.6500	3.6556	3.6624	3.6656	3.6749	↘
GBPMYR	5.4700	5.4736	5.4767	5.4805	5.4874	↘
SGDMYR	2.9500	2.9510	2.9527	2.9541	2.9587	↘
AUDMYR	2.9650	2.9700	2.9728	2.9785	2.9810	↘
NZDMYR	2.8020	2.8050	2.8074	2.8112	2.8172	↘
USDSGD	1.3050	1.3073	1.3087	1.3105	1.3111	↘
EURSGD	1.6217	1.6231	1.6243	1.6258	1.6270	↘
GBPSGD	1.8500	1.8524	1.8548	1.8582	1.8600	↘
AUDSGD	1.0020	1.0050	1.0066	1.0080	1.0100	↘

* 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	1862.45	0.1	3.7	CRB Index	195.57	-0.11	0.9
Dow Jones Ind.	23857.71	-1.4	-3.5	WTI oil (\$/bbl)	65.25	-0.46	8.0
S&P 500	2612.62	-1.7	-2.3	Brent oil (\$/bbl)	70.11	-0.01	4.8
FTSE 100	7000.14	1.6	-8.9	Gold (\$/oz)	1345.05	-0.62	3.2
Shanghai	3166.65	1.1	-4.2	CPO (RM/tonne)	2413.00	-0.27	1.0
Hang Seng	30790.83	0.8	2.9	Copper (\$/tonne)	6649.00	0.71	-8.3
STI	3439.35	0.8	1.1	Rubber (sen/kg)	434.50	1.05	-6.1

Source: Bloomberg

Economic Data

	For	Actual	Last	Survey
US Conference Board Consumer Confidence	Mar	127.7	130.0	131.0
US Richmond Fed Manufacturing Index	Mar	15	28	22
US S&P CoreLogic CS 20-City YOY	Jan	6.40%	6.31%	6.15%
EU Consumer Confidence	Mar F	0.1	0.1	0.1
EU Economic Confidence	Mar	112.6	114.2	113.3
EU Business Climate Indicator	Mar	1.34	1.48	1.36
HK Exports YOY	Feb	1.7%	18.1%	7.0%
NZ ANZ Activity Outlook	Mar	21.8	20.4	--
NZ ANZ Business Confidence	Mar	-20.0	-19.0	--

Source: Bloomberg

➤ Macroeconomics

- Sentiment in the US eased as shown by the Conference Board's Consumer Confidence Surveys. The index surprisingly fell to 127.7 in March (Feb: 130.0 revised) as perceptions of both present condition (159.90 vs. 161.2) and future expectation (106.2 vs 109.2) declined. However subcomponents in the area of employment narrate an otherwise different story where the number of respondents who viewed jobs as being plentiful at the present increased compared to last month. Respondents who think that jobs are hard to obtain fell as well. In a separate note, the Richmond Fed manufacturing index which tracks manufacturing sentiments indicates a likely slowdown in the mid-Atlantic region. The index registered a reading of 15 in March (Feb: 28) on the back of a broad base decline in various sub components. Meanwhile house prices across 20 cities in the US increased at a slightly quicker pace of 6.40 % YOY in Jan-18 (Dec: +6.31% revised) against a backdrop of higher demand and lower home inventory.
- Overall sentiments in the Eurozone remained subdued in March. Consumer confidence stayed at 0.1 in March (Feb: 0.1) whereas the Business Climate Indicator slowed to register a reading of 1.34 (Feb: 1.48). This brings the Economic sentiment to soften to 112.6 in March (Feb: 114.2 revised).
- Exports in Hong Kong slowed down more than expected to increase a mere 1.7% YOY in February (Jan: 18.1%) after a substantial jump in the preceding month due to seasonal factor. The lunar new year was celebrated in February this year which explains that export to China jumped in the previous month but pulled back to drop dramatically by 10.5% YOY in February (Jan: +29.0%). Similarly, import dropped 3.2% YOY (Jan: +23.8%) which led the trade deficit to widen to HKD 42.7b (Jan: 31.9b).
- Business confidence in New Zealand fell slightly to -20.0 in March (Feb:-19.0) despite improvement in activity outlook which increased to 21.8 (Feb: 20.4). According to ANZ, outlook across various sectors differed where manufacturing and services advanced whereas retail and agriculture declined.

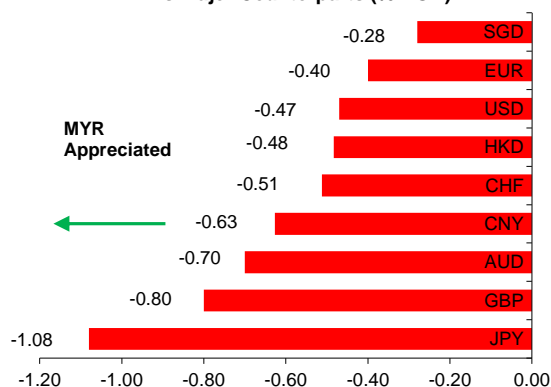
Economic Calendar Release Date						
Country	Date	Event	Reporting Period	Survey	Prior	Revised
US	28/3	MBA Mortgage Application	Mar 23	--	-1.1%	--
		Wholesale Inventories MOM	Feb P	0.5%	0.8%	--
		GDP Annualized QOQ	4Q T	2.7%	2.5%	--
		Pending Home Sales MOM	4Q T	2.0%	-4.7%	--
	29/3	PCE Core YOY	Feb	1.6%	1.5%	--
		Personal Income	Feb	0.4%	0.4%	--
		Personal Spending	Feb	0.2%	0.2%	--
		Initial Jobless Claims	Mar 24	230k	229k	--
		Chicago Purchasing Manager	Mar	62.0	61.9	--
		U. of Mich Sentiment	Mar F	102.0	102.0	--
UK	28/03-04/03	Nationwide House PX MOM	Mar	0.2%	-0.3%	--
	28/03	CBI Retailing Reported Sales	Mar	7	8	--
	29/3	Gfk Consumer Confidence	Mar	-10	-10	--
		GDP QOQ	4Q F	0.4%	0.4%	--
		Index of Services MOM	Jan	0.2%	0.0%	--
Japan	29/3	Motgage Approvals	Feb	66.0k	67.5k	--
		Retail Trade YOY	Feb	1.7%	1.6%	1.5%
		Retail Sales MOM	Feb	0.6%	-1.8%	-1.6%
China	28/03	Foreign Direct Investment	Feb	--	0.3%	--
New Zealand	29/3	Building Permits MOM	Feb	--	0.2%	--
Vietnam	29/3	CPI YOY	Mar	3.25%	3.15%	--
	29/3	Exports YTD YOY	Mar	21.6%	22.9%	--
	29/3	Industrial Production YOY	Mar	--	8.0%	--
	29/3	Retail Sales YTD YOY	Mar	--	10.1%	--

Source: Bloomberg

FX Table

Name	Last Price	DoD %	High	Low	YTD %
EURUSD	1.2403	-0.33	1.2476	1.2373	3.4
USDJPY	105.34	-0.07	105.9	105.33	-6.3
GBPUSD	1.4157	-0.51	1.4244	1.4066	4.9
AUDUSD	0.7679	-0.89	0.7758	0.7675	-1.6
EURGBP	0.8761	0.17	0.8798	0.8745	-1.4
USDMYR	3.8770	-0.47	3.8900	3.8705	-4.3
EURMYR	4.8129	-0.40	4.8521	4.8113	-0.9
JPYMYR	3.6722	-1.08	3.6875	3.6624	2.0
GBPMYR	5.4858	-0.80	5.5457	5.4825	0.5
SGDMYR	2.9636	-0.28	2.9774	2.9587	-2.3
AUDMYR	2.9928	-0.70	3.0205	2.9910	-5.9
NZDMYR	2.8225	-0.56	2.8437	2.8186	-2.3

Source: Bloomberg

MYR vs Major Counterparts (% DOD)

Forex
MYR

- **MYR strengthened 0.47% to 3.8770 against a weakened USD** and advanced against all G10s.
- **We turn slightly bearish on MYR against USD**, anticipating extended rebound in the greenback going into European session. USDMYR remains tilted to the downsides but we caution on a potential rebound after recent sharp losses. Current minor bearish trend suggests there is room for a drop to 3.8471 in the coming days.

USD

- **USD rebounded to beat 9 G10s** while the DXY rallied through European session to close 0.39% higher at 89.37, supported by easing concerns over US-China trade war.
- **Stay slightly bullish on USD**, with room for further rebound if US data surprises to the upside. However, expect losses to accelerate on renewed concerns over US-China trade stand-off. If current minor bearish trend prevails, DXY is likely to slide below 89.02 going forward. In the meantime, we suspect there is room to extend its overnight rebound. A close above 89.50 will allay the said bearish trend and potentially set DXY on a course to 89.80.

EUR

- **EUR fell 0.33% to 1.2403 against USD**, pulling back from sharp gains a day before while closing mixed against the G10s.
- **EUR is still slightly bearish amid potential for further USD rebound**. Minor bullish trend suggest potential close above 1.2444 soon, but a close below 1.2370 today will put this view in doubt. We caution that risk of rejection increases approaching 1.2450 – 1.2462.

GBP

- **GBP weakened 0.51% to 1.4157 against USD** and fell against 8 G10s as demand were sapped amid firmer risk appetite in European markets.
- **Stay slightly bearish on GBP today on likelihood of extended USD rebound**. We reckon that downside momentum from recent rejection near 1.4245 is still in effect, pushing GBPUSD lower. Below 1.4200, GBPUSD is likely to test 1.4110 next.

JPY

- **JPY** was back in demand amid risk-off in US session from news of potential US investments curbs on China, beating all G10s and **inching 0.07% firmer to 105.34 against USD**.
- **We continue to expect a soft JPY on potential for further USD rebound**, as well as receding trade war concerns. USDJPY still has room to rebound, possibly to circa 105.80. A break here exposes a move to 106.50.

AUD

- **AUD** tumbled against all G10s and **slumped 0.89% to 0.7679 against USD**, weighed down by declines in commodities and equities.
- **Maintain a bearish view on AUD on the back of potential extended USD rebound**. AUDUSD is still deep in bearish territory and likely inclined to downsides. A minor bearish trend has emerged and we set sights on a potential decline to circa 0.7640 next.

SGD

- **SGD slipped 0.08% to 1.3101 against a firmer USD** but managed to beat 9 G10s that also retreated on a stronger greenback.
- **Stay bullish on SGD against USD**, supported by improving risk appetite in the markets. Downside bias in USDSGD prevails and looks likely to break below 1.3072 going forward. Caution that this level could potentially bounce USDSGD higher thereafter.

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