

Global Markets Research

Daily Market Highlights

Key Takeaways

- **US stocks finished mixed on Thursday as investors awaited more clarity on ongoing trade talks in Washington DC.** Many had earlier expected the announcement of a US-China summit this week only to have **President Trump clarifying in the afternoon that some major issues remained unresolved and a deal could still be four weeks away.** The Dow rose 0.64%, pushed up by Boeing shares. S&P 500 advanced by 0.21%, supported by the lift in Facebook shares. NASDAQ fell 0.05% as Tesla and Microsoft shares dropped. The bond market was quiet as yields barely budged at the shorter end up to the 10Y curve. 10Y treasury yield closed at 2.52%. Elsewhere, European and Asian stocks ended on mixed notes - China and Hong Kong markets are closed today. **Brent crude strengthened on worries over tight global supply to briefly touch the \$70 mark** and closed 0.13% higher at \$69.40/barrel. WTI fell by 0.58% to \$62.10/barrel.
- Data were scanty overnight. **US initial jobless claims fell to a 49-year low of 202k last week**, pointing to a continuous tightening labour market. **Japan household spending rose at a slower pace of 1.7% YOY in February. Wage growth fell 0.8% YOY** in the same month as bonus payout dropped a whopping 34.2% YOY. Australia AiG Performance of Construction Index rose to 45.6 in March but the below-50.0 reading nonetheless indicates a contraction in the overall construction sector. **On the home front, Malaysia exports fell 5.3% YOY in February**, reflecting the rippling effects of slower global demand.
- **The Dollar index closed higher by 0.2% to 97.303** retracing the previous day's move ahead of NFP led by a higher Dow on trade talk optimism. **We maintain USD bullishness** still as mentioned previously, technical indicators still favour our view while waiting for NFP data which may alter the short term direction.
- **MYR closed only 0.07% slightly weaker at 4.0820** on some USD buying interest amidst lackluster trading ahead of US NFP. **We maintain MYR bearishness** so long as USDMYR still trades within the upper Bollinger Band in the short term. A close and open below the 4.0750 mark would then negate short term bearishness and open USDMYR up towards the 4.06 area.
- **SGD closed weaker by 0.07% at 1.3547 against USD** on broad USD strength ahead of key data. **We maintain bearishness on SGD** as the technical picture still supports our view barring a close and open below the 1.3524 DMA which still holds at time of writing.

Overnight Economic Data

Malaysia	↓
US	↑
Japan	↓
Australia	↑

What's Coming Up Next

Major Data

- Malaysia Foreign Reserves
- US Change in Nonfarm Payrolls, Unemployment Rate, Average Hourly Earnings
- Japan Leading Index, Coincident Index

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1170	1.1200	1.1225	1.1260	1.1280	↗
GBPUSD	1.3000	1.3050	1.3083	1.3200	1.3250	↗
USDJPY	110.75	111.10	111.77	111.85	112.15	↗
AUDUSD	0.7010	0.7080	0.7119	0.7150	0.7200	→
EURGBP	0.8475	0.8525	0.8583	0.8656	0.8675	→
USDMYR	4.0650	4.0750	4.0825	4.0880	4.0950	↗
EURMYR	4.5520	4.5640	4.5850	4.6105	4.6350	↗
JPYMYR	3.6400	3.6550	3.6560	3.6715	3.6850	↘
GBPMYR	5.2950	5.3150	5.3450	5.3820	5.4045	↗
SGDMYR	3.0080	3.0130	3.0170	3.0210	3.0250	→
AUDMYR	2.8620	2.8725	2.9080	2.9160	2.9287	↗
NZDMYR	2.7380	2.7535	2.7611	2.7860	2.7980	↗
USDSGD	1.3475	1.3510	1.3545	1.3575	1.3600	↗
EURSGD	1.5100	1.5160	1.5203	1.5311	1.5370	↗
GBPSGD	1.7410	1.7560	1.7718	1.7875	1.7975	↗
AUDSGD	0.9480	0.9530	0.9645	0.9673	0.9705	↗

* 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	1,645.07	0.11	-2.69	CRB Index	187.04	0.10	10.15
Dow Jones Ind.	26,384.63	0.64	13.11	WTI oil (\$/bbl)	62.10	-0.58	36.75
S&P 500	2,879.39	0.21	14.86	Brent oil (\$/bbl)	69.40	0.13	29.00
FTSE 100	7,401.94	-0.22	10.01	Gold (\$/oz)	1,292.21	0.18	0.81
Shanghai	3,246.57	0.94	30.18	CPO (RM/tonne)*	1,989.00	1.43	1.87
Hang Seng	29,936.32	-0.17	15.83	Copper (\$/tonne)	6,451.00	-0.63	8.15
STI	3,316.21	0.15	8.06	Rubber (sen/kg)	493.50	0.20	30.21

Source: Bloomberg

➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
MY Exports YOY	Feb	-5.3%	3.1%	2.3%
US Initial Jobless Claims	Ma-30	202k	212k (revised)	215k
JP Household Spending YOY	Feb	1.7%	2.0%	1.9%
JP Labour Cash Earnings YOY	Feb	-0.8%	-0.6%	0.9%
AU AiG Construction Index	Mar	45.6	43.8	--

Source: Bloomberg

- US initial jobless claims fell to 49-year low, eyes on tonight's NFP:** Initial jobless claims fell by 10k to a 49-year low of 202k for the week ended 30 March (previous: 212k revised) bringing the four-week moving average to 213.5k (previous: 217.5k). The upbeat claims number came after Wednesday's ADP private payroll report missed estimates at 129k. Both data continued to point to tightening labour market in the US. All eyes will be on tonight's nonfarm payroll job report.
- Japan household spending slowed as wage growth fell:** Household spending rose for the 3rd straight month but at a slower pace of 1.7% YOY in February (Jan: +2.0%). Labour cash earnings fell 0.8% YOY in the same month (Jan: -0.6% revised) driven mainly by the sharp drop in bonus payout (-34.2% vs -1.4%) as well as the minor fall in contracted earnings (-0.2% vs -0.6%). Within contracted earnings, both regular and overtime payments also recorded declines. The fall in wage growth in general likely has contributed to the slower spending in the month, but nonetheless spending is expected to remain stable in the near term as consumers ramp up purchases prior to upcoming consumption tax hike in October this year.
- Australia construction sector remained contractionary amidst softer property market:** The AiG Performance of Construction Index rose to 45.6 in March (Feb: 43.8) driven by faster rise in commercial activity and engineering activity but the below-50.0 reading nonetheless indicates a contraction in the overall construction sector. The falls in housing activity and apartment activity reaffirmed suggest that growth in the housing market in Australia will continue taking a backseat amidst tighter credit standards.
- Malaysia exports fell beyond seasonal swings:** The momentum in exports pulled back more than expected and fell 5.3% YOY in February (Jan: +3.1% YOY), marking its first decline since Aug-18. This probably reflects the rippling effects of slower global demand as the quantum of the softening was bigger than the normal seasonal swings that we observed. Shipment of all major products either contracted or experienced slower growth while exports to all major destinations fell in February. In tandem with the fall in exports, imports also declined 9.4% YOY in February (Jan: +1.0%), dragged by lower imports across all the three main import categories which reinforced concerns of softening domestic demand. This however lent support to the overall trade position, which managed a RM11.1bn surplus in February, down only marginally from the surplus of RM11.5bn in January. Moving forward, we maintain a less sanguine external trade outlook, further reinforced by today's bigger than expected pullback beyond the normal seasonal distortions. We expect exports to continue contract in the next few months amid increasing prospects of further moderation in global demand and weak commodity prices. Against a backdrop of external uncertainties, we continue to pin our hope on continuous albeit more moderate expansion in domestic demand to support overall growth of the Malaysian economy. No change to our full year growth projection of 4.7% for now.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
05/04	Malaysia	Foreign Reserves	Mar-29	--	\$102.6b	--
05/04	US	Change in Nonfarm Payrolls	Mar	177k	20k	--
		Unemployment Rate	Mar	3.8%	3.8%	--
		Average Hourly Earnings YOY	Mar	3.4%	3.4%	--
08/04		Factory Orders	Feb	-0.5%	0.1%	--
		Durable Goods Orders	Feb F	--	-1.6%	--
08/04		Sentix Investor Confidence	Apr	-1.7	-2.2	0
05/09	UK	Halifax House Prices 3M YOY	Mar	2.1%	2.8%	--
05/04	Japan	Leading Index CI	Feb P	97.2	96.5	--
		Coincident Index	Feb P	98.9	98.1	--
08/04		Eco Watcher outlook	Mar	--	48.9	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1221	-0.11	1.1248	1.1206	-2.14
GBPUSD	1.3077	-0.62	1.3191	1.3060	2.50
USDJPY	111.66	0.15	111.68	111.34	1.79
AUDUSD	0.7112	-0.01	0.7127	0.7098	0.88
EURGBP	0.8582	0.55	0.8593	0.8519	-4.51
USDMYR	4.0820	0.07	4.0855	4.0740	-1.24
EURMYR	4.5831	-0.11	4.5929	4.5807	-3.05
JPYMYR	3.6651	0.18	3.6658	3.6578	-2.47
GBPMYR	5.3751	0.03	5.3829	5.3708	2.04
SGDMYR	3.0156	-0.03	3.0170	3.0127	-0.67
AUDMYR	2.9028	-0.05	2.9078	2.9009	-0.69
NZDMYR	2.7676	-0.08	2.7740	2.7656	-0.40
CHFMYR	4.0890	-0.12	4.0940	4.0868	-2.62
CNYMYR	0.6071	-0.08	0.6081	0.6073	0.41
HKDMYR	0.5202	0.10	0.5203	0.5193	-1.51
USDSGD	1.3547	0.07	1.3550	1.3525	-0.58
EURSGD	1.5203	-0.01	1.5218	1.5181	-2.71
GBPSGD	1.7717	-0.54	1.7848	1.7689	1.90
AUDSGD	0.9636	0.08	0.9647	0.9615	0.30

Source: Bloomberg

Forex

MYR

- **MYR closed only 0.07% slightly weaker at 4.0820** on some USD buying interest amidst lackluster trading ahead of NFP.
- **We maintain MYR bearishness** so long as USDMYR still trades within the upper Bollinger Band in the short term. A close and open below the 4.0750 mark would then negate short term bearishness and open USDMYR up towards the 4.06 area.

USD

- **The Dollar index closed higher by 0.2% to 97.303** retracing the previous day's move ahead of NFP led by a higher Dow on trade talk optimism.
- **We maintain USD bullishness** still as mentioned previously, technical indicators still favour our view while waiting for NFP data which may alter the short term direction.

EUR

- **EUR closed 0.11% lower to 1.1221 against USD** on broad USD strength against the majors ahead of key US job data.
- **We maintain EUR bullishness** in the short term as the pair still manages to register higher lows over the last 3 sessions however we would need a convincing close above 1.1235 to validate this view on the week.

GBP

- **GBP weakened 0.62% to 1.3077** as Parliament still seem to be deadlocked in coining a deal even after both Labour and Conservative parties sat down for close to 5 hours hashing together a deal with little to show for.
- **We turn bullish GBPUSD** over the medium term as fundamentally, a deal is likely to be hashed out to avoid a no-deal Brexit. Economic data released recently also suggests that the UK economy is strong which in turn is beneficial for GBPUSD as a whole.

JPY

- **JPY weakened 0.15% to 111.66** against the USD as US equities closed higher on trade talk optimism.
- **We maintain bearish JPY** as USDJPY technical picture has not changed. However we are wary of further JPY weakness around the 112.00 area which should serve as a ceiling up till NFP release.

AUD

- **AUD closed 0.01% weaker against the USD at 0.7112** as USD in general was stronger.
- **We remain neutral on AUD** due to short term technicals flip flopping between negative and positive on headlines while we await NFP data to gauge further direction.

SGD

- **SGD closed weaker by 0.07% at 1.3547 against USD** on broad USD strength ahead of key data.
- **We maintain bearishness on SGD** as the technical picture still supports our view barring a close and open below the 1.3524 DMA which still holds at time of writing.

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