

Global Markets Research

Daily Market Highlights

Key Takeaways

- US stocks rose on Friday, as upbeat US job reports eased earlier concerns of slower economic growth while the rising prospect of US-China trade deal also helped lift sentiments. The US added 196k jobs in March. The US said there was still significant work to be done in trade talks with China but nonetheless cited progress in ongoing negotiations. The Dow, S&P 500 and NASDAQ rose 0.15%, 0.46% and 0.59% respectively. Yield on 10Y treasuries fell 2bps to 2.50%. European stocks were also pushed higher as well, supported by trade optimism with key benchmarks ending in the greens. Oil prices rallied on similar ground, WTI rose 1.58% to \$63.08/barrel while Brent crude picked up 1.35% to hit above the \$70 mark at \$70.34/barrel.
- **Nonfarm payrolls clocked in at 196k in March** following February's tiny gain. Wage growth slowed as the average hourly earnings missed estimates, increasing a modest 3.2% YOY while unemployment rate was unchanged at 3.8%. UK house prices rose 3.2% YOY in the three months to March while on a monthly basis, prices fell 1.6% MOM following the outsized gain in the previous month according to Halifax. The preliminary reading of Japan leading index rose to 97.4 in February according to the Cabinet Office in Tokyo. **Malaysia international reserves increased to \$103.0b** as at 29 March 2019 (previous: \$102.6b).
- **The dollar index closed higher by 0.07% to 97.365** after a better than expected NFP and stronger US equities. **We maintain USD bullishness** still as mentioned previously, technical indicators still favour our view as a close back below the 21 DMA at 96.87 would only negate the bullish USD index view.
- **MYR closed 0.16% weaker at 4.0885** on sustained USD buying interest amidst lackluster trading ahead of NFP. **We maintain MYR bearishness** as USDMYR now looks likely to enter the Ichimoku cloud given the modest USD strength spillover from the NYK session and may test the 4.0930 Bollinger resistance before venturing higher.
- **SGD closed weaker by 0.01% at 1.3549 against USD** on broad USD strength due to better than expected NFP. **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	➔
UK	↑
Japan	↑

What's Coming Up Next

Major Data

- US Factory Orders, Durable Goods Orders, Cap Goods Orders Nondef Ex Air
- Eurozone Sentix Investor Confidence
- Japan Eco Watcher Outlook

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1170	1.1200	1.1219	1.1260	1.1280	↗
GBPUSD	1.2945	1.3000	1.3037	1.3200	1.3250	↗
USDJPY	110.75	111.10	111.66	111.85	112.15	↗
AUDUSD	0.7010	0.7080	0.7095	0.7150	0.7200	➔
EURGBP	0.8475	0.8525	0.8607	0.8656	0.8675	➔
USDMYR	4.0650	4.0750	4.0875	4.0900	4.0950	↗
EURMYR	4.5520	4.5640	4.5895	4.6105	4.6350	↗
JPYMYR	3.6400	3.6550	3.6635	3.6715	3.6850	↘
GBPMYR	5.2950	5.3150	5.3320	5.3820	5.4045	↗
SGDMYR	3.0080	3.0130	3.0185	3.0210	3.0250	➔
AUDMYR	2.8620	2.8725	2.9020	2.9160	2.9287	↗
NZDMYR	2.7300	2.7380	2.7515	2.7860	2.7980	↗
USDSGD	1.3475	1.3510	1.3553	1.3575	1.3600	↗
EURSGD	1.5100	1.5160	1.5205	1.5311	1.5370	↗
GBPSGD	1.7410	1.7560	1.7665	1.7875	1.7975	↗
AUDSGD	0.9480	0.9530	0.9615	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	1,641.81	-0.20	-2.88	CRB Index	187.68	0.34	10.53
Dow Jones Ind.	26,424.99	0.15	13.28	WTI oil (\$/bbl)	63.08	1.58	38.91
S&P 500	2,892.74	0.46	15.39	Brent oil (\$/bbl)	70.34	1.35	31.34
FTSE 100	7,446.87	0.61	10.68	Gold (S/oz)	1,291.76	-0.03	0.77
Shanghai*	3,246.57	0.94	30.18	CPO (RM/tonne)*	2,008.00	0.96	2.84
Hang Seng*	29,936.32	-0.17	15.83	Copper (\$/tonne)	6,401.00	-0.78	7.31
STI	3,322.64	0.19	8.27	Rubber (sen/kg)	496.00	0.10	30.87

Source: Bloomberg

*Last price on 04 April

➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
MY Foreign Reserves	Mar-29	\$103.0	\$102.6b	--
US Change in Nonfarm Payrolls	Mar	196k	33k (revised)	177k
US Unemployment Rate	Mar	3.8%	3.8%	3.8%
US Average Hourly Earnings YOY	Mar	3.2%	3.4%	3.4%
UK Halifax House Prices 3M YOY	Mar	3.2%	2.8%	2.1%
JP Leading Index CI	Feb P	97.4	96.5	97.2
JP Coincident Index	Feb P	98.8	98.1	98.9

Source: Bloomberg

- US NFP rebounded, easing growth concerns:** Nonfarm payrolls clocked in at 196k in March following a tiny gain in the previous month which was revised higher from 20k to 33k. The upbeat number beat analysts' expectation of 177k and helped ease some earlier concerns of slower domestic growth. Wage growth slowed as the average hourly earnings missed estimates, increasing a modest 3.2% YOY (Feb: +3.4%), suggesting that inflation likely remains tepid. Unemployment rate meanwhile was unchanged at 3.8% in the same month (Feb: 3.8%) with participation rate falling slightly to 63.0% (Feb: 63.2%). While the overall job report points to a still-solid labour market in the US, suggesting that the weaker February's NFP was merely a blip, we stick to our view that the phenomenal domestic growth in the US is slowly moderating this year in view of the absence of tax stimulus and the lack of business investment.
- Halifax said house prices rose in the UK:** UK house prices rose 3.2% YOY in the three months to March (Feb: +2.8%) while on a monthly basis prices fell 1.6% MOM (Feb: +6.0%) following the outsized gain in the previous month according to Halifax. The gain in the Halifax index bucked the trend, as other house price indexes such as Royal Institution of Chartered Surveyors (RICS) and property website Rightmove have been reported declines in prices.
- Japan leading index suggests growth in February:** The preliminary reading of Japan leading index rose to 97.4 in February (Jan: 96.5) according to the Cabinet Office in Tokyo while the coincident index inched up slightly to 98.8 (Jan: 98.1), suggesting a modest uptick in economic activities in February.
- Malaysia foreign reserves increased in March:** Bank Negara international reserves increased to \$103.0b as at 29 March 2019 (previous: \$102.6b). BNM said that the reserves level has taken into account the quarterly adjustment for foreign exchange revaluation changes and is sufficient to finance 7.5 months of retained imports and is 1.0 time total short-term external debt.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
08/04	US	Factory Orders	Feb	-0.5%	0.1%	--
		Durable Goods Orders	Feb F	-1.6%	0.1%	--
		Cap Goods Orders Nondef Ex Air	Feb F	--	0.9%	--
09/04		NFIB Small Biz Optimism	Mar	102.0	101.7	--
08/04	Eurozone	Sentix Investor Confidence	Apr	-2.0	-2.2	0
08/04	Japan	Eco Watcher Outlook	Mar	49.2	48.9	--
09/04	Australia	Home Loans MOM	Feb	0.5%	-1.2%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1216	-0.04	1.1246	1.1210	-2.16
GBPUSD	1.3038	-0.30	1.3123	1.2987	2.20
USDJPY	111.73	0.06	111.82	111.58	1.82
AUDUSD	0.7105	-0.10	0.7132	0.7092	0.72
EURGBP	0.8604	0.26	0.8637	0.8557	-4.28
USDMYR	4.0885	0.16	4.0885	4.0790	-1.09
EURMYR	4.5910	0.17	4.5927	4.5794	-2.88
JPYMYR	3.6594	-0.16	3.6604	3.6502	-2.62
GBPMYR	5.3464	-0.53	5.3552	5.3344	1.50
SGDMYR	3.0185	0.10	3.0191	3.0115	-0.57
AUDMYR	2.9120	0.32	2.9130	2.9006	-0.38
NZDMYR	2.7544	-0.43	2.7634	2.7517	-0.87
CHFMYR	4.0872	-0.04	4.0886	4.0792	-2.67
CNYMYR*	0.6071	-0.03	0.6081	0.6073	0.41
HKDMYR	0.5207	0.10	0.5208	0.5199	-1.42
USDSGD	1.3549	0.01	1.3561	1.3535	-0.58
EURSGD	1.5199	-0.03	1.5226	1.5193	-2.76
GBPSGD	1.7668	-0.23	1.7769	1.7604	1.61
AUDSGD	0.9630	-0.06	0.9653	0.9616	0.16

Source: Bloomberg

*Last Price on 04 April

Forex

MYR

- **MYR closed 0.16% weaker at 4.0885** on sustained USD buying interest amidst lackluster trading ahead of NFP.
- **We maintain MYR bearishness** as USDMYR now looks likely to enter the Ichimoku cloud given the modest USD strength spillover from the NYK session and may test the 4.0930 Bollinger resistance before venturing higher.

USD

- **The dollar index closed higher by 0.07% to 97.365** after a better than expected NFP and stronger US equities.
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EUR

- **EUR shed 0.04% to 1.1216 against USD** on a better than expected NFP.
- **We maintain EUR bullishness** in the short term although the pair seems to be registering some consolidation around here. It is hard to be bullish/bearish here as the recent ranges have held so well. May look towards FOMC minutes and Brexit announcement due later this week as a catalyst to breakout of this range.

GBP

- **GBP weakened 0.30% to 1.3038** as Parliament is still deadlocked ahead of this Friday's Brexit deadline.
- **We maintain bullish GBPUSD** over the medium term as fundamentally, a deal is likely to be hashed out to avoid a no-deal Brexit. Look towards this Thursday's European Council Summit on Brexit for an outcome as well as any headlines generated from now till then for short term volatility.

JPY

- **JPY weakened 0.06% to 111.73** as US equities closed higher on trade talk optimism and a better than expected NFP.
- **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 continues to serve as a resistance and may see a slower move higher to that area barring any catalyst to the broad USD.

AUD

- **AUD closed 0.10% weaker against the USD at 0.7105** as USD in general was stronger on a better than expected NFP.
- **We remain neutral on AUD** due to short term technicals still flip flopping between negative and positive on headlines.

SGD

- **SGD closed weaker by 0.01% at 1.3549 against USD** on broad USD strength due to better than expected NFP.
- **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.

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hbb.hongleong.com.my

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