

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- US stocks ended mixed overnight as investors braced for likely declines in corporate earnings ahead of the Q1 earnings season for the next two weeks. Stocks were supported by the surge in crude oil prices to a five-month high as concerns over squeezing supply heightened. Brent crude jumped by 1.08% to close at \$71.10/barrel while WTI gained 2.09% to \$64.40/barrel. The Dow fell 0.32% as Boeing shares dropped 4.4% following an announcement to cut production of its troubled 737 Max aircrafts. S&P500 rose 0.10% while NASDAQ picked up 0.19%. Treasuries fell across the curves- yield on 10Y government notes rose 2bps to 2.52%. **European equities slipped after German trade data missed expectations.** The Stoxx Euro 50 lost 0.27% while the German DAX slid by 0.39%. Asian markets meanwhile ended mixed- shares fell in China and Japan but went up in Hong Kong.
- Data were limited overnight. US factory orders fell 0.5% MOM in February, durable goods orders slipped 1.6% while core capital orders, a barometer of capex resumed a 0.1% decline. **The Sentix Investor Confidence Index for the Eurozone rose to -0.3 in April marking a huge improvement in investors sentiments over Eurozone economic prospect, mainly lifted by rising trade optimism.** On the contrary, Japan Economy Watchers Survey for Outlook Index fell a little to 48.6 in March suggesting weakening economic conditions.
- **The Dollar index closed lower by 0.4% to 97.041** led by EURUSD as pent up foreign currency demand and liquidation of USD hedges led to the move. **We maintain USD bullishness** still as mentioned previously, as a close back below the 21 DMA at 96.87 would only negate the bullish USD index view.
- **MYR weakened 0.23% to close at 4.0980** on sustained USD buying interest post NFP as EM currencies in general traded weaker against the USD. **We maintain MYR bearishness** as USDMYR is now firmly trading within the Ichimoku cloud as we head towards the short term target of 4.0980 Bollinger top and 4.1145 the 100 DMA.
- **SGD edged out a 0.03% gain to 1.3545 against USD** on broad USD weakness against the majors but moves maybe limited due to EM weakness as well. **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

US	↓
Eurozone	↑
Japan	↓

#### What's Coming Up Next

##### Major Data

- US NFIB Small Biz Optimism
- Australia Home Loans MOM

##### Major Events

- Nil

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1180	1.1220	1.1261	1.1280	1.1300	↗
GBPUSD	1.2945	1.3000	1.3067	1.3200	1.3250	↗
USDJPY	110.75	111.10	111.46	111.85	112.15	↗
AUDUSD	0.7010	0.7080	0.7127	0.7150	0.7200	→
EURGBP	0.8520	0.8575	0.8620	0.8656	0.8675	→
USDMYR	4.0800	4.0850	4.1000	4.1050	4.1145	↗
EURMYR	4.5680	4.5880	4.6180	4.6350	4.6450	↗
JPYMYR	3.6400	3.6550	3.6790	3.6850	3.6930	↗
GBPMYR	5.2950	5.3150	5.3575	5.3820	5.4045	↗
SGDMYR	3.0080	3.0130	3.0280	3.0315	3.0380	↗
AUDMYR	2.8850	2.8995	2.9220	2.9287	2.9350	↗
NZDMYR	2.7300	2.7380	2.7645	2.7860	2.7980	↗
USDSGD	1.3475	1.3510	1.3541	1.3575	1.3600	↗
EURSGD	1.5100	1.5160	1.5255	1.5311	1.5370	↗
GBPSGD	1.7410	1.7560	1.7697	1.7875	1.7975	↗
AUDSGD	0.9480	0.9530	0.9653	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	1,644.35	0.15	-2.73	CRB Index	188.70	0.54	11.13
Dow Jones Ind.	26,341.02	-0.32	12.92	WTI oil (\$/bbl)	64.40	2.09	41.82
S&P 500	2,895.77	0.10	15.51	Brent oil (\$/bbl)	71.10	1.08	32.16
FTSE 100	7,451.89	0.07	10.76	Gold (\$/oz)	1,297.48	0.44	1.25
Shanghai	3,244.81	-0.05	30.11	CPO (RM/tonne)*	2,041.00	1.64	4.53
Hang Seng	30,077.15	0.47	16.37	Copper (\$/tonne)	6,475.00	1.16	8.55
STI	3,315.42	-0.22	8.04	Rubber (sen/kg)	501.00	1.01	32.19

Source: Bloomberg

## ➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
US Factory Orders	Feb	-0.5%	0.0% (revised)	-0.5%
US Durable Goods Orders	Feb F	-1.6%	0.1%	-1.6%
US Cap Goods Orders Nondef Ex Air	Feb F	-0.1%	0.9%	--
EU Sentix Investor Confidence	Apr	-0.3	-2.2	-2.0
JP Eco Watcher Outlook	Mar	48.6	48.9	49.2

Source: Bloomberg

- US core capital orders resumed decline, signaling weaker capex:** Factory orders fell 0.5% MOM in February (Jan: 0.0% revised) after a flat-lined reading in the previous month. Durable goods orders (subcomponent of factory orders) which measures orders of longer lasting goods placed with US factories fell 1.6% MOM (Jan: +0.1%) largely on the huge swing of the volatile aircrafts orders. The nondefense capital orders excluding aircrafts or more commonly known as core capital orders resumed a 0.1% MOM decline (Jan: +0.9%), reaffirming that last year's tax cut has failed to stimulate business investment for much of 2018.
- Eurozone investors' confidence rose in April:** The Sentix Investor Confidence Index rose to -0.3 in April (Mar: -2.2) signaling a tremendous improvement in Eurozone investors' sentiments thanks to rising prospect that the US and China were getting closer to a trade deal. The sub-index for expectations rose for the third running months at -4.3 suggesting that investors saw improving outlook ahead. The current situation index meanwhile slipped for eight consecutive month to 3.8 indicating investors' weaker perception over present conditions considering the fact that recent key economic data have remained weak.
- Japan Eco Watchers Survey suggests weakening economy:** Japan Economy Watchers Survey for Outlook Index fell a little to 48.6 in March (Feb: 48.9) whereas the Current Conditions index fell by a larger margin to 44.8 (Feb: 47.5), indicating weakening economic conditions.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
<b>09/04</b>	<b>US</b>	<b>NFIB Small Biz Optimism</b>	<b>Mar</b>	<b>102.0</b>	<b>101.7</b>	--
10/04		MBA Mortgage Applications	05 Apr	--	18.6%	--
		CPI YOY	Mar	1.8%	1.5%	--
10/04	Eurozone	ECB Main Refinancing Rate	10 Apr	0.0%	0.0%	--
10/04	UK	Visible Trade Balance GBPm	Feb	-£12,876m	-£13,084m	--
		Industrial Production MOM	Feb	0.1%	0.6%	--
		GDP MOM	Feb	0.0%	0.5%	--
10/04	Japan	PPI YOY	Mar	1.0%	0.8%	--
		Core Machine Orders MOM	Feb	2.8%	-5.4%	--
		Machine Tool Orders YOY	Mar p	--	-29.3%	--
<b>09/04</b>	<b>Australia</b>	<b>Home Loans MOM</b>	<b>Feb</b>	<b>0.5%</b>	<b>-1.2%</b>	--
10/04		Westpac Consumer Conf SA MOM	Apr	--	-4.8%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1263	0.42	1.1274	1.1214	-1.84
GBPUSD	1.3061	0.18	1.3074	1.3027	2.40
USDJPY	111.48	-0.22	111.77	111.28	1.61
AUDUSD	0.7127	0.31	0.7131	0.7088	1.04
EURGBP	0.8623	0.22	0.8646	0.8591	-4.12
USDMYR	4.0980	0.23	4.1030	4.0840	-0.85
EURMYR	4.6056	0.32	4.6076	4.5812	-2.57
JPYMYR	3.6757	0.45	3.6844	3.6567	-2.13
GBPMYR	5.3491	0.05	5.3635	5.3233	1.55
SGDMYR	3.0214	0.10	3.0259	3.0138	-0.43
AUDMYR	2.9107	-0.04	2.9131	2.8983	-0.42
NZDMYR	2.7590	0.17	2.7624	2.7471	-0.71
CHFMYR	4.0967	0.23	4.1098	4.0835	-2.44
CNYMYR	0.6097	0.32	0.6106	0.6092	0.73
HKDMYR	0.5221	0.27	0.5227	0.5202	-1.15
USDSGD	1.3545	0.03	1.3566	1.3541	-0.60
EURSGD	1.5255	0.37	1.5271	1.5196	-2.43
GBPSGD	1.7687	0.11	1.7726	1.7652	1.78
AUDSGD	0.9653	0.24	0.9657	0.9611	0.45

Source: Bloomberg

## Forex

### MYR

- **MYR weakened 0.23% to close at 4.0980** on sustained USD buying interest post NFP as EM currencies in general traded weaker against the USD.
- **We maintain MYR bearishness** as USDMYR is now firmly trading within the Ichimoku cloud as we head towards the short term target of 4.0980 Bollinger top and 4.1145 the 100 DMA.

### USD

- **The Dollar index closed lower by 0.4% to 97.041** led by EURUSD as pent up foreign currency demand and liquidation of USD hedges led to the move.
- **We maintain USD bullishness** still as mentioned previously, as a close back below the 21 DMA at 96.87 would only negate the bullish USD index view.

### EUR

- **EUR advanced 0.42% to 1.1263 against USD** on general pent up demand for foreign currency as investors begin to unwind USD hedges post NFP.
- **We maintain EUR bullishness** as the previous sessions move confirms market demand to reduce USD hedges post NFP as we now look towards ECB interest rate decision this Wednesday. Would also look towards FOMC minutes and Brexit announcement due later this week as further catalysts to breakout of this range.

### GBP

- **GBP closed higher by 0.18% to 1.3061** as USD in general gets sold even though Parliament still has not reached a deal.
- **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 strengthened 0.22% to 111.48** as US equities closed mixed and the broader USD gets sold even though UST yields ended slightly higher.
- **We maintain bearish JPY** as USDJPY technical picture has not changed. We have short term moving averages acting as interim support circa 111.45 for the pair with stronger support coming in at 111.00 area.

### AUD

- **AUD closed 0.31% stronger against the USD at 0.7127** as USD in general was weaker led by EURUSD purchases and slightly stronger commodities in general.
- **We remain neutral on AUD** even though we are trading near the Bollinger top as we have 100 DMA and Bollinger top at 0.7141 and 0.7137 acting as short term resistance for now.

### SGD

- **SGD edged out a 0.03% gain to 1.3545 against USD** on broad USD weakness against the majors but moves maybe limited due to EM weakness as well.
- **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](mailto:HLMarkets@hbb.hongleong.com.my)

**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.