

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **Wall Street stocks slipped overnight as a busy week began that saw investors turned cautious ahead of Fed, ECB meetings, UK election as well as the 15 Dec US tariffs deadline on Chinese goods.** Optimism surrounding US-China trade deal has faded amidst a lack of concrete development and details just days before the scheduled tariffs hike, following official China data that showed the unexpected decline in the country's November exports of which shipment to the US plunged by a whopping 23%. **The Dow, S&P 500 and NASDAQ lost around 0.3-0.4%, benchmark treasuries yields moved slightly lower around 0-2bps.** Major currencies hovered around recent ranges and the dollar's performance was uneven across the FX board. Euro failed to ride on better German exports number. Pound remained strong amidst expectation of a Tories' win. Crude oil prices ended a little lower by 0.2-0.3%. Brent crude settled at \$64.25/barrel.
- Data were scanty on Monday. **The Eurozone Sentix Investor Confidence Index for December unexpectedly jumped to 0.7 to record its first positive reading in seven months.** Japan's Economic Watcher Survey reported a spike in its expectation index to a seven-month high as well, pointing to firmer consumption outlook. Australia headline NAB Business Confidence Index slipped to 0 to indicate weaker sentiment.
- The dollar's performance was uneven across the FX board with major currencies hovering around recent ranges. **The dollar index finished a little lower (-0.06%) at 97.64. We are still neutral on broad USD today** ahead of key events this week and a lack of major data that likely puts the greenback in a conflicting state against the majors. Short term outlook remains bullish as the Fed is expected to keep rate unchanged this week. Medium term outlook is bullish, supported by solid 4Q US data especially in the consumer/retail sector.
- **MYR finished barely changed against the USD at 4.1600 on Monday** as it range-traded ahead key events this week in a cautious environment. **No change to a neutral MYR outlook today** as we expect ringgit to continue trading around recent ranges of 4.1600-4.1800 just ahead of the Fed, ECB meetings and UK election, not to mention the looming 15 December US tariffs hike deadline. Short term outlook is bearish as the dollar will likely firm up this week as Fed keeps rate unchanged. Medium term outlook is bearish supported by solid 4Q US data especially in the consumer/retail sector.
- **SGD finished minimally firmer against the USD at 1.3594. Daily outlook is still neutral** ahead of key events. Short term outlook is bearish, expecting the USD to firm up this week as the Fed kept rate unchanged. Medium term outlook is bearish on relatively weaker (although improving) Singapore fundamentals.

#### Overnight Economic Data

Eurozone	↑
Japan	↑
Australia	↓

#### What's Coming Up Next

##### Major Data

- US NFIB Small Business Optimism Index
- Eurozone ZEW Survey Expectations
- UK Monthly GDP, Industrial Production, Visible Trade Balance
- Japan Machine Tool Orders
- China CPI, PPI
- Singapore Retail Sales

##### Major Events

- Nil

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1030	1.1050	1.1065	1.1080	1.1100	➔
GBPUSD	1.3100	1.3120	1.3145	1.3180	1.3200	➔
USDJPY	108.00	108.40	108.60	108.80	109.00	➔
AUDUSD	0.6800	0.6820	0.6827	0.6850	0.6880	➔
EURGBP	0.8360	0.8400	0.8417	0.8450	0.8480	➔
USDMYR	4.1550	4.1600	4.1615	4.1700	4.1800	➔
EURMYR	4.5800	4.5900	4.6047	4.6100	4.6200	➔
JPYMYR	3.8060	3.8200	3.8323	3.8430	3.8550	➔
GBPMYR	5.4250	5.4560	5.4703	5.4850	5.4900	➔
SGDMYR	3.0500	3.0550	3.0598	3.0625	3.0650	➔
AUDMYR	2.8350	2.8365	2.8404	2.8450	2.8500	➔
NZDMYR	2.7100	2.7200	2.7260	2.7300	2.7400	➔
USDSGD	1.3550	1.3580	1.3599	1.3615	1.3630	➔
EURSGD	1.5000	1.5020	1.5047	1.5090	1.5120	➔
GBPSGD	1.7800	1.7830	1.7877	1.7930	1.7965	➔
AUDSGD	0.9250	0.9265	0.9280	0.9300	0.9315	➔

\* 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	1,562.71	-0.37	-7.56	CRB Index	181.17	-0.01	6.70
Dow Jones Ind.	27,909.60	-0.38	19.64	WTI oil (\$/bbl)	59.02	-0.30	29.97
S&P 500	3,135.96	-0.32	25.10	Brent oil (\$/bbl)	64.25	-0.22	19.42
FTSE 100	7,233.90	-0.08	7.52	Gold (S/oz)	1,461.68	0.10	13.98
Shanghai	2,914.48	0.08	16.86	CPO (RM/tonne)	2,760.00	1.88	41.36
Hang Seng	26,494.73	-0.01	2.51	Copper (\$/tonne)	5,990.00	1.73	0.42
STI	3,179.82	-0.47	3.62	Rubber (sen/kg)	458.50	0.00	20.98

Source: Bloomberg

## ➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
EU Sentix Investor Confidence	Dec	0.7	-4.5	-5.3
JP Eco Watchers Survey Current SA	Nov	39.4	36.7	39.7
JP Eco Watchers Survey Outlook SA	Nov	45.7	43.7	44.6
AU NAB Business Confidence	Nov	0.0	2.0	--

Source: Bloomberg

- Eurozone investor sentiment rose for the first time in seven months:** The Sentix Investor Confidence Index recorded a positive reading for the first time in seven months at 0.7 in December (Nov: -4.5) to signal a rise in confidence among European investors. The latest print was a major surprise that beat consensus estimate of -5.3, driven by the jump in both current situation index (-1 vs -5.5) and expectation index (2.5 vs -3.5), reflecting what Sentix said firmer investors' expectations that "the worst is over for the economy in the euro zone and that impulses from the central bank and politicians will stimulate the economy in the coming months."
- Japan economic watcher survey pointed to brighter outlook:** The economic watcher survey reported that its current condition index picked up to 39.4 (Oct: 36.7), a modest improvement. Notably the expectation index rose to 45.7 in November (Oct: 43.7), a seven-month high that was driven by household's upbeat expectation over the economy, a positive sign for Japan's consumption outlook.
- Australia business confidence weakened in November:** The headline NAB Business Confidence index slipped to 0 in November (Oct: 2.0) to signal a weaker sentiment among Australian firms. The Business Condition Index was unchanged at 4.0 (Oct: 4.0). Details painted a mixed picture of overall business outlook with forward order slipping to -2 (Oct: 3.0) but employment remaining at a solid 4.0 (Oct: 4.0).

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
10/12	US	<b>NFIB Small Business Optimism</b>	Nov	<b>103.0</b>	<b>102.4</b>	--
11/12		MBA Mortgage Applications	Dec-06	--	-9.2%	--
		CPI YOY	Nov	2.0%	1.8%	--
10/12	Eurozone	<b>ZEW Survey Expectations</b>	Dec	--	<b>-1.0</b>	--
10/12	UK	<b>Monthly GDP (MOM)</b>	Oct	<b>0.1%</b>	<b>-0.1%</b>	--
		<b>Industrial Production MOM</b>	Oct	<b>0.2%</b>	<b>-0.3%</b>	--
		<b>Visible Trade Balance GBP/Mn</b>	Oct	<b>-£11,673m</b>	<b>-£12,541m</b>	--
10/12	Japan	<b>Machine Tool Orders YOY</b>	Nov P	--	<b>-37.4%</b>	--
11/12		PPI YOY	Nov	0.0%	-0.4%	--
		BSI Large All Industry QOQ	4Q	--	1.1	--
		BSI Large Manufacturing QOQ	4Q	--	-0.2	--
10/12	China	<b>CPI YOY</b>	Nov	<b>4.3%</b>	<b>3.8%</b>	--
		<b>PPI YOY</b>	Nov	<b>-1.5%</b>	<b>-1.6%</b>	--
10/12	Singapore	<b>Retail Sales YOY</b>	Oct	<b>-1.5%</b>	<b>-2.2%</b>	--
11/12	Australia	Westpac Consumer Confidence Index	Dec	--	97.0	--

Source: Bloomberg

	Last Price	DoD%	High	Low	YTD %
EURUSD	1.1064	0.04	1.1078	1.1051	-3.51
GBPUSD	1.3147	0.05	1.3181	1.3116	3.05
USDJPY	108.56	-0.02	108.72	108.43	-1.02
AUDUSD	0.6823	-0.26	0.6840	0.6820	-3.21
EURGBP	0.8417	0.00	0.8436	0.8393	-6.36
USDMYR	4.1600	0.02	4.1665	4.1555	0.61
EURMYR	4.6033	-0.25	4.6059	4.5966	-2.62
JPYMYR	3.8352	0.13	3.8363	3.8268	2.06
GBPMYR	5.4769	0.24	5.4833	5.4641	3.97
SGDMYR	3.0587	-0.01	3.0624	3.0543	0.75
AUDMYR	2.8394	-0.28	2.8463	2.8384	-2.66
NZDMYR	2.7259	-0.18	2.7313	2.7252	-1.90
CHFMYR	4.2032	-0.26	4.2052	4.1947	0.10
CNYMYR	0.5909	-0.10	0.5923	0.5904	-2.37
HKDMYR	0.5316	0.06	0.5322	0.5309	0.61
USDSGD	1.3594	-0.09	1.3615	1.3592	-0.23
EURSGD	1.5041	-0.03	1.5064	1.5030	-3.74
GBPSGD	1.7871	-0.02	1.7923	1.7834	2.81
AUDSGD	0.9274	-0.37	0.9306	0.9271	-3.41

Source: Bloomberg

## Forex

### MYR

- **MYR finished barely changed against the USD at 4.1600 on Monday** as it range-traded ahead key events this week in a cautious environment.
- **No change to a neutral MYR outlook today** as we expect ringgit to continue trading around recent ranges of 4.1600-4.1800 just ahead of the Fed, ECB meetings and UK election, not to mention the looming 15 December US tariffs hike deadline. Short term outlook is bearish as the dollar will likely firm up this week as Fed keeps rate unchanged. Medium term outlook is bearish supported by solid 4Q US data especially in the consumer/retail sector.

### USD

- The dollar's performance was uneven across the FX board with major currencies hovering around recent ranges. **The dollar index finished a little lower (-0.06%) at 97.64.**
- **We are still neutral on broad USD today** ahead of key events this week and a lack of major data that likely puts the greenback in a conflicting state against the majors. Short term outlook remains bullish as the Fed is expected to keep rate unchanged this week. Medium term outlook is bullish, supported by solid 4Q US data especially in the consumer/retail sector.

### EUR

- **EUR finished on a flattish note against the USD at 1.1064**, failing to ride on the unexpected rise in German exports.
- **EUR is neutral today** ahead of key events and a lack of major hard data. German ZEW Index is up next. Short and medium term outlook is bearish, weighed down by still relatively dismal growth and inflation outlook. We look towards this week's ECB meeting and Christine Lagarde's first press conference for further guidance.

### GBP

- **GBP finished barely changed against the USD at 1.3147** as it clung above the key 1.31 handle.
- While GBP remains strong, **daily outlook is neutral with a bearish bias** as the pair pulled back from seven-month high yesterday and we expect the pair to retreat slightly but still hover around 1.3100. Key data today i.e. monthly GDP and industrial production are potential drivers for a minor reversal. Short term post-election outlook is volatile with a bearish bias considering the fact that markets have priced in a Conservative win and any further upside seems limited in an overbought condition.

### JPY

- **JPY finished barely changed against the USD at 108.56** amidst cautious sentiment.
- **JPY is neutral with a bullish bias today** as safe havens might attract demand with US tariffs hike looming large given the lack of concrete development regarding US-China trade talks. Medium term outlook is still bullish over Hong Kong's ongoing political unrests, uncertain US-China trade talk outcome, rising global trade tension as well as domestic political risks in multiple countries.

### AUD

- **AUD closed 0.26% weaker against the USD at 0.6823** over increasingly bearish trade sentiment and largely ignored RBA governor Phillip Lowe's remarks.
- **We are neutral on AUD**, expecting the Aussie dollar to be supported above 0.6800 as it tries to recover amidst an increasingly downbeat outlook over US-China trade talks. Key data to look forward are China inflation numbers. Short term outlook is slightly bearish over expected dollar strength this week. Medium term outlook is still slightly bullish, expecting continuous recovery with US-China trade-related headlines posting as downside risk.

### SGD

- **SGD finished minimally firmer against the USD at 1.3594.**
- **Daily outlook is still neutral** ahead of key events. Short term outlook is bearish, expecting the USD to firm up this week as the Fed kept rate unchanged. Medium term outlook is bearish on relatively weaker (although improving) Singapore fundamentals.

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