

Global Markets Research

Daily Market Highlights

Key Takeaways

- **US stocks fell on Monday on lacklustre banks earnings.** Goldman Sachs' 1Q revenue missed analyst expectations leading its shares to plunge 3.8%. Citigroup fell 0.06% on mixed results as shares buyback pushed up earnings but revenue fell. Financials lost 0.62%, just days after J.P. Morgan reported upbeat earnings which had spurred a rally in the sector on Friday. The Dow, S&P500 and NASDAQ lost 0.10% (-27.5pts), 0.06% (-1.8pts) and 0.10% (-8.2pts) respectively. Yield on 10Y treasuries slipped 1bp to 2.55%. **All key benchmarks fell only slightly, as trade optimism lend some support following Treasury Secretary Steven Mnuchin's remarks that he hoped the US-China trade talks were coming to a final lap. Oil futures weakened as Russia and OPEC consider productions boost** -Brent crude fell 0.52% to \$71/18/barrel while WTI slid by 0.77% to \$63.40/barrel. Elsewhere, European stocks rose on trade optimism while Asian benchmarks ended mixed.
- Data were scanty overnight. **The New York Fed Empire State Manufacturing Survey headline general business conditions index rose 6pts to 10.1** in April indicating a modest expansion in New York's manufacturing sector. UK property website Rightmove reported that house prices fell 0.1% YOY in April amidst continuously soft housing market.
- **The Dollar index almost unchanged at 96.929** in a market that struggled to find direction due to lack of headlines and economic data. **We maintain USD bullishness** as despite the recent moves lower in USD, we still remain within the upper bound of the Bollinger band for an eventual move higher.
- **MYR closed 0.16% stronger at 4.1080** on improving risk appetite led by US equities. **We maintain MYR bearishness** over the medium term to target 4.14 area. As mentioned previously, given the bounce off Ichimoku cloud top resistance at 4.1230, we may see the pair consolidating 4.1000-4.1250 for the time being.
- **SGD closed marginally weaker 0.01% at 1.3530 against USD** in a lackluster trading environment. We maintain SGD bearishness as MAS acknowledged in its latest monetary policy communique on significant uncertainty over the short term outlook which can be further exacerbated by US-EU and now likely US-JP trade talks/tensions although the pair may face some consolidation currently.

Overnight Economic Data

US	↑
UK	→

What's Coming Up Next

Major Data

- US Industrial Production, NAHB Housing Market Index
- Eurozone Construction Output, ZEW Survey Expectations
- UK Job Report
- Australia Westpac Leading Index

Major Events

- Australia Meeting Minutes

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1220	1.1260	1.1306	1.1330	1.1370	↗
GBPUSD	1.3000	1.3050	1.3101	1.3200	1.3250	↗
USDJPY	111.40	111.70	112.00	112.30	112.70	↗
AUDUSD	0.7070	0.7120	0.7171	0.7200	0.7230	→
EURGBP	0.8520	0.8575	0.8631	0.8656	0.8675	→
USDMYR	4.1050	4.1100	4.1140	4.1200	4.1250	↗
EURMYR	4.5850	4.6250	4.6540	4.6750	4.6950	↗
JPYMYR	3.6520	3.6600	3.6755	3.6950	3.7200	↗
GBPMYR	5.3200	5.3550	5.3925	5.4045	5.4400	↗
SGDMYR	3.0300	3.0350	3.0430	3.0450	3.0500	↗
AUDMYR	2.9000	2.9250	2.9525	2.9640	2.9890	→
NZDMYR	2.7450	2.7680	2.7860	2.7890	2.7980	→
USDSGD	1.3475	1.3510	1.3528	1.3575	1.3600	↗
EURSGD	1.5100	1.5160	1.5300	1.5311	1.5370	↗
GBPSGD	1.7410	1.7560	1.7725	1.7875	1.7975	↗
AUDSGD	0.9600	0.9650	0.9705	0.9710	0.9750	↗

* 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	1,631.33	0.07	-3.50	CRB Index	187.41	-0.50	10.37
Dow Jones Ind.	26,384.77	-0.10	13.11	WTI oil (\$/bbl)	63.40	-0.77	39.62
S&P 500	2,905.58	-0.06	15.91	Brent oil (\$/bbl)	71.18	-0.52	32.30
FTSE 100	7,436.87	0.00	10.53	Gold (\$/oz)	1,287.95	-0.19	0.43
Shanghai	3,177.79	-0.34	27.42	CPO (RM/tonne)*	2,031.50	0.49	4.05
Hang Seng	29,810.72	-0.33	15.34	Copper (\$/tonne)	6,480.00	-0.06	8.63
STI	3,325.86	-0.18	8.38	Rubber (sen/kg)	504.00	-0.10	32.98

Source: Bloomberg

➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
US Empire Manufacturing	Apr	10.1	3.7	8.0
UK Rightmove House Prices YOY	Apr	-0.1%	-0.8%	--

Source: Bloomberg

- New York manufacturing sector grew at faster pace:** The New York Fed Empire State Manufacturing Survey reported that its headline general business conditions index rose 6pts to 10.1 in April (Mar: 3.7), indicating a modest expansion in New York's manufacturing sector. New orders, shipments, inventories accelerated, but employment and prices paid slowed down.
- Rightmove reported decline in UK house prices:** UK house price continued to fall amidst a housing market slowdown as reported by property website Rightmove. Its house prices index rose 1.1% MOM in April (Mar: +0.4%) but recorded a slower decline of 0.1% YOY (Mar: -0.8%). House prices in London fell 2.2% YOY (Mar: -3.8%).

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
16/04	US	Industrial Production MOM	Mar	0.2%	0.1%	0.0%
		NAHB Housing Market Index	Apr	63.0	62.0	--
17/04		MBA Mortgage Applications	Apr-12	--	-5.6%	--
		Trade Balance	Feb	-\$53.5b	-\$51.1b	--
		Wholesale Inventories MOM	Feb	0.3%	1.2%	--
		Wholesale Trade Sales MOM	Feb	--	0.5%	--
16/04	Eurozone	Construction Output MOM	Feb	--	-1.4%	--
		ZEW Survey Expectations	Apr	--	-2.5	--
17/04		Trade Balance SA	Feb	--	17.0b	--
		Core CPI YOY	Mar F	0.8%	1.0%	--
		CPI YOY	Mar F	1.4%	1.5%	1.5%
16/04	UK	Average Weekly Earnings 3M/YOY	Feb	3.5%	3.4%	--
		ILO Unemployment Rate 3Mths	Feb	3.9%	3.9%	--
		Employment Change 3M/3M	Feb	181k	222k	--
17/04		CPI YOY	Mar	2.0%	1.9%	--
		PPI Output NSA YOY	Mar	2.1%	2.2%	--
17/04	Japan	Trade Balance	Mar	¥363.2b	¥339.0b	¥334.9b
		Exports YOY	Mar	-2.6%	-1.2%	--
		Industrial Production YOY	Feb F	-2.6%	-1.0%	--
		Nationwide Dept Sales YOY	Mar	--	0.4%	--
17/04	China	Fixed Assets Ex Rural YTD YOY	Mar	6.3%	6.1%	--
		Industrial Production YOY	Mar	5.9%	5.7%	--
		Retail Sales YOY	Mar	8.4%	8.2%	--
		GDP YOY	1Q	6.3%	6.4%	6.4%
17/04	Singapore	Non-oil Domestic Exports YOY	Mar	-2.1%	4.9%	--
16/04	Australia	RBA Minutes of April Policy Meeting				
17/04		Westpac Leading Index MOM	Mar	--	0.0%	--
17/04	New Zealand	CPI YOY	1Q	1.7%	1.9%	--

Source: Bloomberg

Forex

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1304	0.04	1.1321	1.1295	-1.43
GBPUSD	1.3100	0.20	1.3119	1.3071	2.71
USDJPY	112.04	0.02	112.10	111.89	2.09
AUDUSD	0.7173	0.00	0.7186	0.7164	1.72
EURGBP	0.8630	-0.13	0.8650	0.8619	-4.02
USDMYR	4.1080	-0.16	4.1155	4.1065	-0.62
EURMYR	4.6480	-0.15	4.6571	4.6443	-1.68
JPYMYR	3.6696	-0.19	3.6773	3.6654	-2.35
GBPMYR	5.3819	0.05	5.3904	5.3770	2.17
SGDMYR	3.0382	-0.01	3.0433	3.0357	0.08
AUDMYR	2.9452	-0.02	2.9530	2.9450	0.76
NZDMYR	2.7794	0.15	2.7884	2.7792	0.08
CHFMYR	4.0993	-0.26	4.1102	4.0978	-2.38
CNYMYR	0.6127	-0.11	0.6138	0.6121	1.23
HKDMYR	0.5240	-0.13	0.5250	0.5238	-0.60
USDSGD	1.3530	0.01	1.3535	1.3518	-0.74
EURSGD	1.5294	0.05	1.5308	1.5283	-2.16
GBPSGD	1.7722	0.18	1.7743	1.7684	1.95
AUDSGD	0.9705	0.02	0.9716	0.9691	0.98

Source: Bloomberg

MYR

- **MYR closed 0.16% stronger at 4.1080** on improving risk appetite led by US equities.
- **We maintain MYR bearishness** over the medium term to target 4.14 area. As mentioned previously, given the bounce off Ichimoku cloud top resistance at 4.1230, we may see the pair consolidating 4.1000-4.1250 for the time being.

USD

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EUR

- **EUR closed 0.04% higher at 1.1304 against USD** in an uninspiring fashion overnight as the market in general lacked any sort of conviction either way.
- **We maintain EUR bullishness** to the 1.1350 area however, as mentioned previously the momentum might be slow ahead of the Ichimoku cloud bottom.

GBP

- **GBP closed 0.20% higher to 1.3100** in what looks likely a consolidating move with a bullish bias as mentioned previously.
- **We maintain bullish GBPUSD** as PM May continues striving to win parliamentary approval although there are less headlines now given the sense of urgency in the form of deadlines has passed.

JPY

- **JPY weakened 0.02% to 112.04** as UST yields gained slightly as US equities ended in the red.
- **We maintain bearish JPY** although it seems as though momentum has somewhat waned as we approach YTD lows for JPY.

AUD

- **AUD closed flat against the USD at 0.7173** as markets struggled to find direction on a lack of headlines and economic data.
- **We continue to remain neutral on AUD** and we look towards RBA minutes to see if it provides any push/pull factors.

SGD

- **SGD closed marginally weaker 0.01% at 1.3530 against USD** in a lackluster trading environment.
- **We maintain SGD bearishness** as MAS acknowledged in its latest monetary policy communique on significant uncertainty over the short term outlook which can be further exacerbated by US-EU and now likely US-JP trade talks/tensions although the pair may face some consolidation currently.

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