

Global Markets Research

Daily Market Highlights

Key Takeaways

- **US stocks fell overnight as plunging healthcare shares outweighed the generally positive corporate earnings and economic data.** Shares of health insurer UnitedHealth fell for the second day and those of pharmaceutical companies from Pfizer to CVS slipped as well, **as investors considered the impact of the proposed “Medicare for All” public health insurance plan, backed by Democratic presidential candidate Senator Bernie Sanders.** Healthcare was the biggest drag on the broader S&P500 index, erasing 2.89% in a day, more than offsetting gains in the tech sector. The Dow, S&P500 and NASDAQ fell 0.01% (-3.12pts), 0.23% (-6.61pts) and 0.05% (-4.15pts). **Treasuries barely moved- yield on 10Y UST was virtually unchanged at 2.59%. European stocks mostly rose on positive China data, Asian benchmarks were mixed.** Oil prices weakened slightly –WTI fell 0.45% to \$63.76/barrel, Brent crude lost 0.14% to \$71.62/barrel.
- **US trade deficit narrowed to 8-month low** on higher exports growth of 1.1% MOM. Wholesale inventories rose a meagre 0.2% MOM as firms scaled back on inventory acquisitions. Mortgage applications fell 3.5% last week. **Inflation remained muted in Europe despite the recent rise in oil prices as the core segments were generally weak** - Eurozone final March HICP inflation rate was unchanged at 1.4% YOY while UK headline CPI saw a steady 1.9% YOY increase. **International trade was seen weakening as the Eurozone, Japan and Singapore recorded falls in exports.** Down under, **New Zealand CPI slowed more than expected to 1.5% YOY in 1Q, opening door for the RBNZ to cut OCR.** Australia Westpac leading index rose 0.19%, but the 6-month annualized growth rate continued to reside in negative territories, suggesting slower Australian growth.
- **The Dollar index closed 0.07% lower at 97.005** in another uninspiring session ahead of Easter. **We continue to maintain USD bullishness** ahead of 96.918 support for an eventual target of 97.49 unless it closes and opens below the 96.91 level.
- **MYR closed 0.05% weaker at 4.1345** after hitting 4.1450 low against the USD on better risk sentiment following better perceived Chinese data. **MYR has achieved our bearish target of 4.14** and closed towards the low. This has created a pattern known as “gravestone doji” which is bullish for MYR. A close below the 4.1200 area into the Ichimoku cloud support will confirm that the rout is over and a reversal is in play.
- **SGD closed stronger 0.13% at 1.3528 against USD** on better risk sentiment thanks to Chinese data. **We maintain bearish SGD** as a stronger USD regionally amongst peers may affect overall SGD performance.

Overnight Economic Data

US	➔
Eurozone	⬇
UK	➔
Japan	⬇
Singapore	⬇
Australia	⬆
New Zealand	⬇

What's Coming Up Next

Major Data

- US Retail Sales, Initial Jobless Claims, Philadelphia Fed Business Outlook, Markit US Manufacturing, Services PMIs, Leading Index
- Eurozone Markit Manufacturing and Services PMI, UK Retail Sales, Japan Nikkei Manufacturing PMI
- Australia Job Report

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1220	1.1260	1.1296	1.1330	1.1370	↗
GBPUSD	1.2980	1.3000	1.3041	1.3100	1.3150	↗
USDJPY	111.40	111.70	111.98	112.30	112.70	↗
AUDUSD	0.7070	0.7120	0.7172	0.7200	0.7230	➔
EURGBP	0.8570	0.8600	0.8663	0.8675	0.8700	➔
USDMYR	4.1250	4.1300	4.1430	4.1450	4.1500	↗
EURMYR	4.6250	4.6550	4.6805	4.6850	4.6950	↗
JPYMYR	3.6620	3.6800	3.7010	3.7100	3.7200	↗
GBPMYR	5.3400	5.3750	5.4025	5.4200	5.4400	↗
SGDMYR	3.0500	3.0550	3.0630	3.0650	3.0700	↗
AUDMYR	2.9300	2.9550	2.9720	2.9890	3.0000	➔
NZDMYR	2.7450	2.7680	2.7850	2.7890	2.7980	➔
USDSGD	1.3475	1.3510	1.3529	1.3575	1.3600	↗
EURSGD	1.5100	1.5160	1.5285	1.5311	1.5370	↗
GBPSGD	1.7410	1.7560	1.7645	1.7875	1.7975	↗
AUDSGD	0.9600	0.9650	0.9705	0.9750	0.9775	↗

* 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	1,620.90	-0.53	-4.12	CRB Index	186.60	-0.36	9.89
Dow Jones Ind.	26,449.54	-0.01	13.38	WTI oil (\$/bbl)	63.76	-0.45	40.41
S&P 500	2,900.45	-0.23	15.70	Brent oil (\$/bbl)	71.62	-0.14	33.12
FTSE 100	7,471.32	0.02	11.05	Gold (S/oz)	1,273.98	-0.22	-0.63
Shanghai	3,263.12	0.29	30.84	CPO (RM/tonne)*	2,022.00	0.00	3.56
Hang Seng	30,124.68	-0.02	16.56	Copper (\$/tonne)	6,556.00	0.94	9.91
STI	3,348.64	0.50	9.12	Rubber (sen/kg)	501.50	-0.40	32.32

Source: Bloomberg

➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
US MBA Mortgage Applications	Apr-12	-3.5%	-5.6%	--
US Trade Balance	Feb	-\$49.4b	-\$51.1b	-\$53.4b
US Wholesale Inventories MOM	Feb	0.2%	1.2%	0.3%
US Wholesale Trade Sales MOM	Feb	0.3%	0.5%	0.3%
EU Trade Balance SA	Feb	€19.5b	€17.4b (revised)	--
EU Core CPI YOY	Mar F	0.8%	1.0%	0.8%
EU CPI YOY	Mar F	1.4%	1.5%	1.4%
UK CPI YOY	Mar	1.9%	1.9%	2.0%
UK PPI Output NSA YOY	Mar	2.4%	2.4% (revised)	2.1%
JP Trade Balance	Mar	¥528.5b	¥334.0b (revised)	¥363.2b
JP Exports YOY	Mar	-2.4%	-1.2%	-2.6%
JP Industrial Production YOY	Feb F	-1.1%	0.7%	--
SG Non-oil Domestic Exports YOY	Mar	-11.7%	4.8% (revised)	-2.2%
AU Westpac Leading Index MOM	Mar	0.19%	0.0%	--
NZ CPI YOY	1Q	1.5%	1.9%	1.7%

Source: Bloomberg

- US trade deficit narrowed; firms scaled back on inventories:** US trade deficit narrowed to an 8-month low of \$49.4b in February (Jan: -\$51.1b) as exports rose 1.1% MOM (Jan: +1.0%) mainly on the surge in shipments of civilian airlines i.e. airplanes, while imports rebounded to increase a modest 0.2% MOM (Jan: -2.6%). Imports from China also fell by a whopping 11.9%, coinciding with the country's Lunar New Year Celebration in February where businesses generally went into partial operating mode. Meanwhile, wholesale inventories rose a meagre 0.2% MOM in February (Jan: +1.2%) as firms scaled back on inventories investment following two months of aggressive acquisitions amidst slower business and consumer demand. Wholesale trade sales was seen easing as well, recording a 0.3% MOM growth (Jan: +0.5%) as firms generally found it hard to resell the stocks at hand. Mortgage applications extended further decline by 3.5% for the week ended 12 April (previous: -5.6%), continuing to reverse some of the outsized gains recorded two weeks ago. Interest rates generally rose across the board- the average rate for fixed-rate 30Y loan went up to 4.44% (previous: 4.40%).
- Fed Beige Book says little change in outlook, consumer spending were mixed:** The Fed's newly released Beige Book (the third of 2019) reported that economic activity expanded at a slight-to-moderate pace in March and early April, with a few districts reporting some strengthening in growth, but there was little change in outlook among firms. Reports on consumer spending were mixed but suggested sluggish sales for both general retailers and auto dealers. Stronger home sales were noted, manufacturing activities were favourable. Labour market remained tight thus restraining rate of growth and leading to continued wage pressures. Shortages of skilled workers were cited. On the price front, input cost increased on tariffs, freight cost and rising wages but the ability to pass the costs on to customers were mixed.
- Eurozone inflation softened; international trade weakened:** The final reading of Eurozone HICP inflation rate was unchanged at 1.4% in March (Feb: +1.5%), a tad slower than February's reading and still way below the ECB's target of just below 2%, as the faster rise in prices of energy (+5.3% vs +3.6%) was offset by the slower gain in prices of food, alcohol & tobacco (+1.8% vs +2.3%), non-energy industrial goods (+0.1% vs +0.4%) as well as services (+1.1% vs +1.4%). Excluding energy and food, alcohol & tobacco, core HICP experienced a marked slowdown to 0.8% YOY (Feb: +1.0%), the entrenched weakness in the core segment reaffirmed the muted underlying inflation in the euro area economy as the ECB prepared to keep its key rates unchanged for the rest of the year. Meanwhile, the latest trade report painted a weaker picture of the Eurozone international trade sector amidst softer global demand as exports fell 1.4% MOM in February (Jan: +0.8%), more than reversed January's gain. Imports also declined by 2.7% MOM (Jan: +0.1%), leading trade surplus to widen to €19.5b (Jan: €17.4n revised).
- UK inflation stayed below BOE target:** Headline CPI missed estimate to increase at a steady pace of 1.9% YOY in March (Feb: +1.9%) as the rise in prices of energy (+2.2% vs +1.2%) were offset by the slower pickup in prices of food, alcohol & tobacco, recreational as well as vehicles and spare parts. Within energy, prices vehicle fuels surged by 2.8% YOY (Feb: +0.7%) reflecting the recent strength in oil prices. Taking out energy, food, alcohol & tobacco, core CPI also stayed at 1.8% YOY (Feb: +1.8%), pointing to benign inflationary pressure in the economy. PPI for output was also seen steady at 2.4% YOY (Feb: +2.4%) following an upward revision to previous month's rate from 2.2% to 2.4%. Inflation have stayed below the BOE's target of 2% for the third consecutive month, a relief for the central bank to hold its bank rate steady at 0.75% amidst unresolved Brexit conundrum.

- **Japan exports, industrial production fell:** Japan exports fell 2.4% YOY in March (Feb: -1.2%), marking its fourth consecutive month of decline since December as weaker demand for steel, chip-making and optical equipment in Asia outweighed the pickup in auto and construction machinery exports to the US and Europe. Imports meanwhile rebounded to increase 1.1% YOY (Feb: -6.6% revised) driven by higher oil prices. MOM, exports slipped 1.0% following a surge in February (Feb: +6.8%) and imports rose 2.1% (Feb: +1.7%) leaving the trade surplus at ¥528.5b (Feb: ¥334.9b revised). Outlook for Japanese trade sector appeared to be weak still as suggested by the fall in Nikkei manufacturing PMI new orders sub-index in March but the rebound in Chinese manufacturing PMI presents a chance for Japanese exports to snap the monthly's declines. Meanwhile, industrial production fell more than initially estimated in February as the final reading was revised lower from -1.0% to -1.1% YOY (Jan: +0.7%) which would further weigh down on 1Q19 GDP growth.
- **Singapore NODX fell again:** Non-oil domestic exports (NODX) failed to sustain February's momentum and saw a sharp decline of 11.7% YOY in March (Feb: +4.8%), partly reflecting the unfavourably high base a year ago. Electronic exports deep-dived by 26.7% YOY (Feb: -8.2% revised) on a severe lack of demand. NODX to most of the top markets fell except for the US, pointing to slower demand abroad and suggesting a potential downward revision to the final 1Q19 GDP growth (advance reading at 1.3%).
- **New Zealand inflation weakened, offering room for RBNZ to cut OCR:** New Zealand inflation slowed more than expected - CPI rose a meagre 1.5% YOY in the first quarter of 2019 (4Q: +1.9%), as the higher prices of tobacco and food were offset by the fall in gasoline prices. The disappointing reading prompted a sell-off in the Kiwi dollar as the likelihood of the RBNZ cutting its official cash rates became even more prominent now amidst weakening price pressure (the latest CPI print moved further away from the RBNZ's 1-3% midpoint inflation target) and the slower economy as a whole, not to mention the RBNZ latest statement which said that the "next OCR move is likely to be down". Markets are pricing in a 53.5% chance of a 25bps rate cut in the central bank's next meeting in May as of writing.
- **Australia leading index rose slightly, but still suggest weaker trend in growth:** Australia leading index rose 0.19% MOM (Feb: -.0%) to 98.01 in March (Feb), lifting the six-month annualized growth rate higher to -0.09% (Feb: -0.54%). Despite that, growth rate has been in the negative territory for the fourth running month, thus was consistent with the expectations of a slower growth momentum in the Australian economy.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
18/04	US	Retail Sales Advance MOM	Mar	1.0%	-0.2%	--
		Initial Jobless Claims	Apr-13	205k	196k	--
		Philadelphia Fed Business Outlook	Apr	11.0	13.7	--
		Markit US Manufacturing PMI	Apr P	52.8	52.4	--
		Markit US Services PMI	Apr P	55.0	55.3	--
		Leading Index	Mar	0.4%	0.2%	--
19/04		Housing Starts MOM	Mar	5.9%	-8.7%	--
		Building Permits MOM	Mar	0.7%	-1.6%	-2.0%
18/04	Eurozone	Markit Eurozone Manufacturing PMI	Apr P	48.0	47.5	--
		Markit Eurozone Services PMI	Apr P	53.1	53.3	--
18/04	UK	Retail Sales Inc Auto Fuel MOM	Mar	-0.3%	0.4%	--
18/04	Japan	Nikkei Japan Manufacturing PMI	Apr P	--	49.2	--
19/04		Natl CPI YOY	Mar	0.5%	0.2%	--
		Natl CPI Ex Fresh Food YOY	Mar	0.7%	0.7%	--
		Supermarket Sales YOY	Mar	--	-2.5%	--
18/04	Australia	Employment Change	Mar	15.0k	4.6k	--
		Unemployment Rate	Mar	5.0%	4.9%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1296	0.13	1.1324	1.1279	-1.47
GBPUSD	1.3043	-0.04	1.3067	1.3029	2.24
USDJPY	112.06	0.05	112.17	111.92	2.14
AUDUSD	0.7179	0.06	0.7206	0.7153	1.79
EURGBP	0.8663	0.20	0.8681	0.8644	-3.61
USDMYR	4.1345	0.05	4.1455	4.1330	0.02
EURMYR	4.6761	0.22	4.6873	4.6631	-1.08
JPYMYR	3.6927	0.10	3.7019	3.6852	-1.73
GBPMYR	5.3942	-0.20	5.4145	5.3872	2.40
SGDMYR	3.0584	0.29	3.0625	3.0502	0.74
AUDMYR	2.9784	0.88	2.9851	2.9603	1.90
NZDMYR	2.7875	-0.06	2.7965	2.7715	0.32
CHFMYR	4.1056	-0.08	4.1156	4.0999	-2.23
CNYMYR	0.6184	0.47	0.6192	0.6173	2.18
HKDMYR	0.5273	0.13	0.5285	0.5268	-0.17
USDSGD	1.3528	-0.13	1.3553	1.3520	-0.76
EURSGD	1.5280	0.01	1.5315	1.5274	-2.22
GBPSGD	1.7643	-0.18	1.7686	1.7622	1.45
AUDSGD	0.9710	-0.09	0.9750	0.9692	1.02

Source: Bloomberg

Forex

MYR

- **MYR closed 0.05% weaker at 4.1345** after hitting 4.1450 low against the USD on better risk sentiment following better perceived Chinese data.
- **MYR has achieved our bearish target of 4.14** and closed towards the low. This has created a pattern known as "gravestone doji" which is bullish for MYR. A close below the 4.1200 area into the Ichimoku cloud support will confirm that the rout is over and a reversal is in play.

USD

- **The Dollar index closed 0.07% lower at 97.005** in another uninspiring session ahead of Easter.
- **We continue to maintain USD bullishness** ahead of 96.918 support for an eventual target of 97.49 unless it closes and opens below the 96.91 level.

EUR

- **EUR closed 0.13% higher at 1.1296 against USD** as markets continue to consolidate as it tries to find direction.
- **We maintain EUR bullishness** as it continues to consolidate around recent ranges waiting for a catalyst for the next move.

GBP

- **GBP closed 0.04% lower to 1.3043** against the USD in a similarly uninspiring fashion as the other majors.
- **We continue to maintain bullish GBPUSD** as PM May continues to work towards an acceptable customs union to the UK Parliament.

JPY

- **JPY weakened 0.05% to 112.06** consolidating within recent familiar range.
- **We maintain bearish JPY** although it seems as though momentum has somewhat waned as we lack push/pull factors ahead of Easter.

AUD

- **AUD closed marginally stronger against the USD at 0.7179** as markets continue to struggle to find direction on a lack of headlines and economic data.
- **We continue to remain neutral on AUD** as price action suggests further consolidation in between 0.71-0.72.

SGD

- **SGD closed stronger 0.13% at 1.3528 against USD** on better risk sentiment thanks to Chinese data.
- **We maintain bearish SGD** as a stronger USD regionally amongst peers may affect overall SGD performance.

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