

Global Markets Research

Daily Market Highlights

Key Takeaways

- US stock markets **finished modestly higher overnight ahead of the Fed's two-day meeting where the central bank is expected to reaffirm its patient stance on monetary policy.** The Dow lodged a gain of 0.25% with upside being capped by the continuous fall in Boeing's shares. The S&P 500 and NASDAQ meanwhile rose 0.37% and 0.34% respectively. 10Y treasuries yield ticked up 1bp to 2.6%. European major stock benchmarks mostly went up except for the DAX which fell 0.25% while Asian stocks rallied. **Oil prices were boosted by the potential extension of OPEC productions cut** – WTI rose 0.97% to \$59.09/barrel while Brent crude gained 0.57% to \$67.54/barrel.
- On the data front, the US NAHB Housing Market Index was unchanged at 62 in March but overall US homebuilders' sentiments appeared to be improving. **Eurozone exports rose for the second month by 0.8% MOM** in January, the yearly 2.5% gain meanwhile was the strongest in three months. In the UK, The Rightmove House prices Index rose 0.4% MOM in March but fell by 0.8% YOY on an annual basis amidst Brexit uncertainties. **The final reading of Japan January industrial production was revised upward from 0.0% to 0.3% MOM** following a larger decline in late 2019. **Singapore non-oil domestic exports (NODX) rebounded** to increase 4.9% YOY in February (Jan: -10.1%) after falling for three running months.
- **USD slipped against 7 G10s** while the DXY ended 0.01% lower at 96.51, dipping from intraday high after rallying through US morning, likely as part of a risk aversion move ahead of US data and FOMC meeting. **Expect a bearish USD** amid risk aversion heading into US data and more so, ahead of FOMC policy decision. A bearish trend remains entrenched and suggests further losses going forward. DXY is likely to test 96.37, below which 96.14 will be aimed.
- **MYR strengthened 0.34% to 4.0765 against USD** and advanced against 9 G10s, supported by improved risk appetite in the region. **We are neutral on MYR against USD.** Technical viewpoint suggests that USDMYR could be in for a mild bounce higher after yesterday's relatively sharp drop. In any case, unless current bearish bias is overturned by breaking above 4.0868, USDMYR is likely headed lower, possibly targeting 4.0705.
- **SGD strengthened 0.14% to 1.3512 against USD** and advanced against 9 G10s. **Expect a slightly bullish SGD against USD**, supported by improving risk appetite in the markets. USDSGD remains in a bearish trend and is likely to push lower, possibly testing 1.3492 – 1.3503 range. But we opine that any break below 1.3492 to be unsustainable and will likely lead to a reversal higher.

Overnight Economic Data

US	➔
Eurozone	➕
UK	➖
Japan	➕
Singapore	➕

What's Coming Up Next

Major Data

- US Factory Orders, Durable Goods Orders, Core Capital Orders
- Eurozone Labour Costs, ZEW Survey Expectations
- UK Job Report

Major Events

- RBA Minutes of March Policy Meeting

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1298	1.1320	1.1335	1.1344	1.1368	➔
GBPUSD	1.3233	1.3250	1.3269	1.3273	1.3289	➖
USDJPY	110.91	111.05	111.26	111.37	111.51	➖
AUDUSD	0.7073	0.7090	0.7097	0.7105	0.7120	➔
EURGBP	0.8523	0.8534	0.8543	0.8568	0.8574	➔
USDMYR	4.0738	4.0758	4.0780	4.0945	4.0981	➔
EURMYR	4.6200	4.6230	4.6242	4.6256	4.6587	➔
JPYMYR	3.6575	3.6603	3.6644	3.6662	3.6698	➔
GBPMYR	5.4034	5.4057	5.4090	5.4146	5.4180	➖
SGDMYR	3.0141	3.0173	3.0186	3.0191	3.0206	➔
AUDMYR	2.8900	2.8939	2.8964	2.8984	2.9000	➔
NZDMYR	2.7882	2.7907	2.7924	2.7940	2.7974	➖
USDSGD	1.3492	1.3503	1.3514	1.3520	1.3529	➖
EURSGD	1.5305	1.5313	1.5318	1.5325	1.5344	➔
GBPSGD	1.7876	1.7900	1.7931	1.7957	1.7985	➖
AUDSGD	0.9572	0.9585	0.9592	0.9606	0.9515	➔

* 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	1,690.94	0.62	0.02	CRB Index	184.86	0.54	8.87
Dow Jones Ind.	25,914.10	0.25	11.09	WTI oil (\$/bbl)	59.09	0.97	30.13
S&P 500	2,832.94	0.37	13.01	Brent oil (\$/bbl)	67.54	0.57	25.54
FTSE 100	7,299.19	0.98	8.49	Gold (\$/oz)	1,303.71	0.10	1.61
Shanghai	3,096.42	2.47	24.16	CPO (RM/tonne)*	1,838.00	-0.84	-5.86
Hang Seng	29,409.01	1.37	13.79	Copper (\$/tonne)	6,431.00	0.42	7.81
STI	3,212.96	0.40	4.70	Rubber (sen/kg)	488.00	0.31	28.76

Source: Bloomberg

➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
US NAHB Housing Market Index	Mar	62.0	62.0	63.0
EU Trade Balance SA	Jan	€17.0b	€16.0b (revised)	€15.0b
UK Rightmove House Prices YOY	Mar	-0.8%	0.2%	--
JP Industrial Production YOY	Jan F	0.3%	-1.9%	--
SG Non-oil Domestic Exports YOY	Feb	4.9%	-10.1%	-6.1%

Source: Bloomberg

- US homebuilders sentiments held steady on improved sales outlook:** The NAHB Housing Market Index was unchanged at 62 in March (Feb: 62) as homebuilders' anticipations of better sales of single family units (for current and future) was offset by a perceptions over lesser prospective buyers traffics but the stabilization in March reading nonetheless suggests an improvement in overall homebuilders' sentiments following the housing market slowdown in late 2018.
- Eurozone trade sector started firmer in 2019:** The latest trade report shows that exports rose 0.8% MOM in January (Dec: +0.3%), marking its second month of increase, while imports rebounded to gain 0.3% MOM (Dec: -0.2%) bringing the trade surplus to widen to €17.0b (Dec: €16.0b). On a yearly basis, exports posted a 2.5% YOY gain (Dec: +0.4%), the strongest in three months, aided by a 12.4% YOY and 10.0% YOY shipment growth to the US and China, offering tentative signs that demand for Eurozone goods are stabilizing amidst a concurrent rebound in industrial production.
- UK house price fell ahead of Brexit:** The Rightmove House prices Index rose 0.4% MOM in March (Feb: +0.7%) but fell by 0.8% YOY on an annual basis (Feb: +0.2%) amidst Brexit uncertainties. The average asking price for a property stood at £302k in March. Prices of houses in London slipped by 1.1% MOM (Feb: +3.4%) and dipped further by 3.8% YOY (Feb: -2.1%) with the average asking price at £608k.
- Japan industrial production rebounded in January:** The final reading of January industrial production was revised upward from 0.0% to 0.3% MOM (Dec: -1.9%) following a larger decline in late 2019. The rebound however may be short-lived as suggested by leading indicators. The Nikkei manufacturing PMI fell below 50.0 in February largely on declines in output and new orders amidst falling overseas demand.
- Singapore NODX finally rebounded after three months:** Non-oil domestic exports (NODX) rebounded to increase 4.9% YOY in February (Jan: -10.1%) after falling for three running months, mainly due to shipments to China, Hong Kong and the US. Exports of electronics products continued to fall by 8.0% YOY (Jan: -15.9%) highlighting sustained weakness in the global demand for electronics. Non electronics product surged by 9.4% YOY (Jan: -7.9%) following a decrease in the previous moth driven by the gains in shipments of pharmaceuticals, non-monetary gold and food preparations.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
20/03	Malaysia	CPI YOY	Feb	-0.4%	-0.7%	--
19/03	US	Factory Orders	Jan	0.3%	-0.5%	--
		Durable Goods Orders	Jan F	0.4%	1.3%	--
		Cap Goods Orders Nondef Ex Air	Jan F	0.8%	-0.9%	--
20/03		MBA Mortgage Applications	Mar-15	--	2.3%	--
19/03	Eurozone	Labour Costs YOY	4Q	--	2.5%	--
		ZEW Survey Expectations	Mar	--	-16.6	--
19/03	UK	Average Weekly Earnings 3M/YOY	Jan	3.2%	3.4%	--
		ILO Unemployment Rate 3Mths	Jan	4.0%	4.0%	--
		Employment Change 3M/3M	Jan	120k	167k	--
20/03		CPI YOY	Feb	1.8%	1.8%	--
		PPI Output NSA YOY	Feb	2.2%	2.1%	--
20/03	Japan	Machine Tool Orders YOY	Feb F	--	-18.8%	--
		Convenience Store Sales YOY	Feb	--	0.8%	--
19/03	Australia	RBA Minutes of March Policy Meeting				
20/03		Westpac Leading Index MOM	Feb	--	-0.01%	--

Source: Bloomberg

Forex

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1337	0.10	1.1359	1.1317	-1.34
GBPUSD	1.3255	-0.26	1.3300	1.3185	3.87
USDJPY	111.43	-0.04	111.63	111.30	1.54
AUDUSD	0.7104	0.27	0.7120	0.7078	0.72
EURGBP	0.8554	0.39	0.8595	0.8511	-4.32
USDMYR	4.0765	-0.34	4.0920	4.0725	-1.38
EURMYR	4.6270	-0.09	4.6346	4.6209	-2.32
JPYMYR	3.6546	-0.16	3.6683	3.6514	-2.75
GBPMYR	5.4057	-0.17	5.4391	5.4010	2.62
SGDMYR	3.0154	-0.15	3.0240	3.0136	-0.68
AUDMYR	2.8968	0.00	2.9075	2.8944	-0.90
NZDMYR	2.7978	-0.14	2.8046	2.7975	0.69
CHFMYR	4.0715	-0.07	4.0822	4.0668	-3.04
CNYMYR	0.6071	-0.33	0.6093	0.6066	0.31
HKDMYR	0.5192	-0.31	0.5212	0.5188	-1.70
USDSGD	1.3512	-0.14	1.3535	1.3509	-0.34
EURSGD	1.5320	-0.03	1.5348	1.5313	-1.98
GBPSGD	1.7910	-0.40	1.7998	1.7832	3.00
AUDSGD	0.9599	0.15	0.9621	0.9576	-0.11

Source: Bloomberg

MYR

- **MYR strengthened 0.34% to 4.0765 against USD** and advanced against 9 G10s, supported by improved risk appetite in the region.
- **We are neutral on MYR against USD.** Technical viewpoint suggests that USDMYR could be in for a mild bounce higher after yesterday's relatively sharp drop. In any case, unless current bearish bias is overturned by breaking above 4.0868, USDMYR is likely headed lower, possibly targeting 4.0705.

USD

- **USD slipped against 7 G10s** while the DXY ended 0.01% lower at 96.51, dipping from intraday high after rallying through US morning, likely as part of a risk aversion move ahead of US data and FOMC meeting.
- **Expect a bearish USD** amid risk aversion heading into US data and more so, ahead of FOMC policy decision. A bearish trend remains entrenched and suggests further losses going forward. DXY is likely to test 96.37, below which 96.14 will be aimed.

EUR

- **EUR rose 0.10% to 1.1337 against USD** but saw much of its gains through Asian-European trade erased, though still inched higher against 6 G10s.
- **EUR is bullish against a soft USD**, with room for further gains if Eurozone data improves. EURUSD upside is also supported by a lingering bullish trend and is likely headed towards 1.1368. Breaking this will allow passage to 1.1400. Caution that a close below 1.1327 today will end the bullish trend and tilt EURUSD towards the downside.

GBP

- **GBP fell 0.26% to 1.3255 against USD** and weakened against all G10s as Brexit impasse and uncertainty continue to plague the UK.
- **GBP is slightly bearish against USD** amid rising Brexit uncertainties. Technical outlook suggests that GBPUUSD is likely to continue unravelling its price-momentum divergence. We set sights on a drop to 1.3168 soon, below which 1.3077 – 1.3080 will be targeted.

JPY

- **JPY** was softer against 5 G10s as risk appetite improved but **slipped 0.04% to 111.43 against USD**.
- **We maintain a bullish JPY view against USD**, expecting buying interest from risk-off in the markets. USDJPY remains tilted to the downside after recent rejection near 112.00 and is likely to extend losses. We set sights on a drop to 111.05, below which a passage to 110.38 will be exposed.

AUD

- **AUD advanced 0.27% to 0.7104 against USD** and climbed to the top of the G10 list amid support from improved risk appetite.
- **AUD is slightly bullish against USD**, supported improving risk appetite in the markets. On the back of a firm bullish trend and emergence of upward momentum, we reckon that there may be room for further gains in AUDUSD, possibly to circa 0.7130 – 0.7138 in the next leg higher. Holding above 0.7068 keeps a bullish bias.

SGD

- **SGD strengthened 0.14% to 1.3512 against USD** and advanced against 9 G10s.
- **Expect a slightly bullish SGD against USD**, supported by improving risk appetite in the markets. USDSGD remains in a bearish trend and is likely to push lower, possibly testing 1.3492 – 1.3503 range. But we opine that any break below 1.3492 to be unsustainable and will likely lead to a reversal higher.

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