

Global Markets Research

Daily Market Highlights

Key Takeaways

- **Overnight markets ended mixed tracking trade noises amid absence of key events and economic releases.** US and Asian major stock indices ended largely in the green while European equities were more mixed. Global bonds however advanced by and large, amid **lingering trade jitters after Beijing said it was pessimistic on a US-China trade deal.** The UST curve shifted lower by 1-2bnps with the 10Y paring about 2bps to 1.815%. The Dollar Index lost ground for the 3rd straight day, down 0.21% to 97.79, its lowest in two weeks. Global crude oil prices were lower on the day with the Brent last closed at \$62.29/ barrel. Fed Rosengren, who dissented against all three Fed rate cuts this year, warned that efforts to pursue 2.0% inflation target could put financial stability at risk. In a separate comment, Fed Mester said the Fed should pause now as the Fed monetary policy is now in a good spot. **At a meeting with President Trump on discussion on the US economy, Fed Chair Powell reiterated that the policy path will be data dependent.**
- **Economic releases were scanty** and limited to only US housing sentiments and exports from Singapore. **NAHB housing market index eased for the first time in five months** but remained near its highest in almost two years, suggesting all was not gloom and doom. On the contrary, **non-oil domestic exports from Singapore fell more than expected** by 12.3% YOY in October, tracking further deterioration in world trade and added to signs of rising risks to the highly open Singapore economy.
- **The dollar index finished 0.21% lower at 97.79**, its lowest in two years, as it weakened against most peers amid lingering jitters in the market. **We remain bearish on USD today** in the absence of fresh catalysts to drive USD strength. **Medium term outlook remains bullish** over relatively better US data in 4Q and firmer views that the Fed would stay put for the rest of 2019.
- **The MYR failed to hold on to early gains, closing 0.08% softer at 4.1560 vs the USD.** MYR rangetraded at the 4.15 handle for the 4th consecutive day, oscillating around 100pips amid a quiet day as markets look for fresh leads on the trade front. **USDMYR remains neutral to slightly bullish in our view** as potential gains from overnight USD weakness will likely be offset by news on Beijing's pessimism over a trade deal, reducing bids for EM currencies.
- **SGD ended flat at 1.3605 vs a weaker USD. We are neutral on SGD today**, amid dampened demand for EM currencies. **SGD's medium term outlook is still bearish**, expecting a stronger USD as the Fed holds rate steady, not to mention the weaker Singapore fundamentals.

Overnight Economic Data

US
Singapore



What's Coming Up Next

Major Data

- US Building Permits, Housing Starts
- UK CBI Trends Total Orders

Major Events

- RBA Minutes of Nov. Policy Meeting

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1020	1.1050	1.1073	1.1080	1.1100	↗
GBPUSD	1.2912	1.2936	1.2952	1.2980	1.3000	↘
USDJPY	108.10	108.40	108.58	108.85	109.00	↘
AUDUSD	0.6760	0.6800	0.6805	0.6840	0.6880	→
EURGBP	0.8500	0.8530	0.8549	0.8600	0.8650	→
USDMYR	4.1500	4.1525	4.1575	4.1600	4.1650	→
EURMYR	4.5900	4.5970	4.6040	4.6090	4.6170	↗
JPYMYR	3.8170	3.8210	3.8288	3.8320	3.8480	↗
GBPMYR	5.3700	5.3770	5.3846	5.3930	5.4060	→
SGDMYR	3.0505	3.0520	3.0561	3.0575	3.0600	→
AUDMYR	2.8170	2.8210	2.8262	2.8300	2.8323	↘
NZDMYR	2.6510	2.6550	2.6573	2.6600	2.6650	↘
USDSGD	1.3575	1.3600	1.3611	1.3635	1.3650	→
EURSGD	1.5020	1.5044	1.5069	1.5083	1.5100	↗
GBPSGD	1.7575	1.7600	1.7627	1.7647	1.7715	→
AUDSGD	0.9230	0.9235	0.9248	0.9260	0.9270	↘

* 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	1,604.36	0.60	-5.10	CRB Index	179.18	-1.01	5.52
Dow Jones Ind.	28,036.22	0.11	20.19	WTI oil (\$/bbl)	57.05	-1.16	25.63
S&P 500	3,122.03	0.05	24.54	Brent oil (\$/bbl)	62.29	-1.60	42.44
FTSE 100	7,307.70	0.07	8.61	Gold (\$/oz)	1,471.51	0.22	14.69
Shanghai	2,909.20	0.62	16.65	CPO (RM/tonne)	2,481.50	-1.17	27.09
Hang Seng	26,681.09	1.35	3.23	Copper (\$/tonne)	5,849.00	0.64	-1.94
STI	3,258.66	0.61	6.19	Rubber (sen/kg)	439.50	0.57	15.96

Source: Bloomberg

➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
US NAHB Housing Market Index	Nov	70.0	71.0	71.0
SG Non-oil Domestic Exports YOY	Oct	-12.3%	-8.1%	-10.0%

Source: Bloomberg

- US housing market took a breather:** NAHB housing market index snapped its 4th straight month of increase to pull back slightly to 70.0 in November, but remaining near its highest since Feb-18. The easier homebuilder sentiment was caused by decline in present single family sales and lower prospective buyers traffic, citing affordability and labour constraints despite lower borrowing costs. However, all were not gloom and doom, as the future sales component rose to its highest since May-18.
- Singapore NODX continued to slip in October:** Non-oil domestic exports slipped 2.9% MOM in October (Sep: -3.3%) leaving the annual decline at 12.3% YOY (Sep: -8.1%). Looking back, exports have been contracting for ninth months since the start of the year, except for February when exporters rushed out shipments ahead of Chinese New Year celebration. To no one's surprise, electronic products continued to slide albeit to a lesser extent of 16.4% YOY (Sep: -24.8%) as the global electronic demand remains in a down cycle. At country levels, shipments to all key trading partners contracted except for Taiwan reflecting broad-based slowdown in global demand and trade.
- Data due today:** US Building Permits, Housing Starts, UK CBI Trends Total Orders, and most importantly RBA minutes

Economic Calendar							
Date	Country	Events	Reporting Period	Survey	Prior	Revised	
20/11	Malaysia	CPI YOY	Oct	1.0%	1.1%	--	
19/11	US	Building Permits MOM	Oct	-0.8%	-2.7%	-2.4%	
		Housing Starts MOM	Oct	5.1%	-9.40%	--	
20/11		MBA Mortgage Applications	Nov-15	--	9.6%	--	
19/11	UK	CBI Trends Total Orders	Nov	-30	-37	--	
20/11	Japan	Trade Balance	Oct	¥301.0b	¥123.0b	¥124.8b	
		Exports YOY	Oct	-7.5%	-5.2%	--	
19/11	Australia	RBA Minutes of Nov. Policy Meeting					
20/11		Westpac Leading Index MOM	Oct	--	-0.08%	--	

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1072	0.19	1.1090	1.1048	-3.44
GBPUSD	1.2953	0.43	1.2985	1.2897	1.54
USDJPY	108.68	-0.11	109.07	108.51	-0.92
AUDUSD	0.6811	-0.09	0.6822	0.6799	-3.46
EURGBP	0.8548	-0.22	0.8577	0.8522	-4.89
USDMYR	4.1560	0.08	4.1565	4.1467	0.54
EURMYR	4.5974	0.48	4.5978	4.5877	-2.75
JPYMYR	3.8122	-0.41	3.8211	3.8102	1.45
GBPMYR	5.3822	0.61	5.3840	5.3601	2.18
SGDMYR	3.0535	0.09	3.0541	3.0494	0.58
AUDMYR	2.8301	0.35	2.8334	2.8273	-3.18
NZDMYR	2.6605	0.36	2.6635	2.6556	-4.25
CHFMYR	4.2002	-0.02	4.2006	4.1932	0.02
CNYMYR	0.5923	-0.03	0.5926	0.5919	-2.14
HKDMYR	0.5306	0.00	0.5308	0.5300	0.45
USDSGD	1.3605	0.00	1.3616	1.3596	-0.14
EURSGD	1.5065	0.20	1.5082	1.5022	-3.58
GBPSGD	1.7623	0.43	1.7664	1.7546	1.40
AUDSGD	0.9260	-0.20	0.9283	0.9251	-3.60

Source: Bloomberg

Forex

MYR

- **The MYR failed to hold on to early gains, closing 0.08% softer at 4.1560 vs the USD.** USDMYR rantraded at the 4.15 handle for the 4th consecutive day, oscillating around 100pips amid a quiet day as markets look for fresh leads on the trade front.
- **USDMYR remains neutral to slightly bullish in our view** as potential gains from overnight USD weakness will likely be offset by news on Beijing's pessimism over a trade deal, reducing bids for EM currencies. **Medium term outlook remains bearish** expecting the USD to strengthen as the Fed stays put, supported by relatively better US data in 4Q.

USD

- **The dollar index finished 0.21% lower at 97.79**, its lowest in two years, as it weakened against most peers amid lingering jitters in the market.
- **We remain bearish on USD today** in the absence of fresh catalysts to drive USD strength. **Medium term outlook remains bullish** over relatively better US data in 4Q and firmer views that the Fed would stay put for the rest of 2019.

EUR

- **EUR advanced for the 4th consecutive day, firming 0.19% against the USD at 1.1072** amidst broad dollar weakness.
- **We are slightly bullish on EUR today** expecting extended weakness in the USD. **In the medium term, outlook remains bearish** as EUR's failure to benefit from recent improvement in Eurozone data spells further downside risk while the ECB's plan for looser monetary policy weighs on the shared currency.

GBP

- **GBP continued to gain grounds, further strengthening by 0.43% against the USD at 1.2953**, on increased Brexit optimism after PM BoJo said every Conservative candidate has signed a pledged to vote for his Brexit deal if elected at next month's general election.
- **We are however turning bearish on GBP today** on technical reasons, anticipating the sterling to pullback as further gains are capped by 1.2970, the upper Bollinger Band and crucial resistance at 1.3000. **Medium term outlook is** mainly driven by headlines surrounding Brexit and UK upcoming December ballots.

JPY

- **JPY gained 0.11% vs the USD at 108.68** on the return of safe haven bids.
- **We are bullish on JPY** as market sentiments will likely stay soft following latest setback in trade deal optimism. **We remain bullish JPY over the medium term** on narrowing yield differentials between the dollar and yen, alongside heightening concerns over Hong Kong protests, lingering Brexit worries and have not ruled out the risk of a US-China trade war escalation.

AUD

- **AUD slipped marginally by 0.09% to 0.6811 against the USD**, amid resumption of risk-off in the market following renewed trade jitters.
- **We maintain our neutral view on AUD today** as prospects of a weaker Aussie from risk-off in the markets would likely be cushioned by USD weakness. **Medium term outlook is slightly bullish** as the RBA is expected to stay put in December's meeting, barring any trade-war escalation.

SGD

- **SGD ended flat at 1.3605 vs a weaker USD.**
- **We are neutral on SGD today**, amid dampened demand for EM currencies. **SGD's medium term outlook is still bearish**, expecting a stronger USD as the Fed holds rate steady, not to mention the weaker Singapore fundamentals.

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