

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **US stocks edged slightly lower overnight amidst cautious sentiment as investors digested mixed trade and political headlines.** A WSJ news story reported that China chief trade negotiator had invited his American counterpart for a face-to-face talk that would happen before Thanksgiving in late November but the US is yet to committed to the date. In the meantime, US Congress' intention to sign the Hong Kong Democracy and Human Rights Act into law set the stage for further confrontation with China and risk putting the ongoing trade negotiation at risk. Wall Street main indexes finished around 0.2% lower, treasuries yields picked up by 2-3bps, the dollar continued to strengthen modestly amidst trade uncertainty. **The commodity market instead focused on trade optimism over China's latest gesture - Gold slipped 0.5% while oil prices rallied by more than 2.5%.** Brent crude settled at \$63.97/barrel.
- **Data were mixed in the US.** The Philly Fed Manufacturing Index edged up by nearly 5pts over brighter outlook. Initial jobless claims was unchanged at 227k last week, reflecting softer job market. The Conference Board Leading Index edged 0.1% lower. Existing home sales rebounded as housing market recovers. Elsewhere, Eurozone consumer confidence improved this month, Japan October inflation gained a little by 0.4% despite recent sales tax hike while All Industry Activity Index saw a stronger 1.5% MOM gain. Hong Kong inflation moderated for the second month to 3.1% YOY in October.
- The dollar continued to strengthen modestly amidst trade uncertainty, picking up against majority of its major peers. **The dollar index inched up minimally by 0.06% to a level shy of the 98.0 handle. We are slightly bullish on USD today** as the greenback is gaining momentum against an uncertain trade and political backdrop that is likely to lend support to the greenback. **Medium term outlook remains bullish**, expecting the USD to strengthen as the Fed reinforced intention to keep the Fed funds rate unchanged in December.
- **MYR extended losing streak against the USD on Thursday to close 0.12% weaker at 4.1700** alongside weaker Asian regionals vis-à-vis a slightly stronger dollar amidst a lack of trade-related news in the Asian session. **We are still bearish on MYR today** as the dollar likely clings to gain as cautious sentiments dominates the market over mixed headlines heading into the weekend. **Medium term outlook remains bearish**, expecting the USD to strengthen as the Fed reinforced intention to keep the Fed funds rate unchanged in December.
- **SGD weakened by 0.07% against the USD to 1.3631** alongside weaker Asian regionals versus a stronger dollar amidst a lack of trade-related news in the Asian session. **We are bearish on SGD today** as the dollar likely clings to gain as cautious sentiments dominates the market over mixed headlines heading into the weekend. **Medium term outlook is still bearish**, expecting the USD to strengthen as the Fed reinforced intention to keep the Fed funds rate unchanged in December.

#### Overnight Economic Data

US	→
Eurozone	↑
Japan	→
Hong Kong	↓

#### What's Coming Up Next

##### Major Data

- Malaysia Foreign Reserves
- US Markit Services, Manufacturing PMIs, U. of Mich. Sentiment Index
- Eurozone Markit Services, Manufacturing PMIs
- Japan Jibun Bank Markit Services, Manufacturing PMIs

##### Major Events

- Nil

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1020	1.1050	1.1065	1.1080	1.1100	→
GBPUSD	1.2800	1.2850	1.2919	1.2950	1.3000	→
USDJPY	108.25	108.40	108.64	108.80	109.00	→
AUDUSD	0.6770	0.6780	0.6792	0.6800	0.6820	↘
EURGBP	0.8500	0.8530	0.8565	0.8600	0.8650	→
USDMYR	4.1600	4.1650	4.1685	4.1700	4.1800	↗
EURMYR	4.5900	4.6000	4.6126	4.6200	4.6300	→
JPYMYR	3.8175	3.8320	3.8367	3.8550	3.8730	→
GBPMYR	5.3500	5.3645	5.3835	5.4100	5.4400	→
SGDMYR	3.0550	3.0575	3.0595	3.0650	3.0700	→
AUDMYR	2.8230	2.8280	2.8299	2.8350	2.8400	↘
NZDMYR	2.6500	2.6650	2.6695	2.6800	2.6870	→
USD SGD	1.3575	1.3600	1.3622	1.3635	1.3650	↗
EURSGD	1.5030	1.5050	1.5072	1.5100	1.5120	→
GBP SGD	1.7500	1.7550	1.7595	1.7650	1.7700	→
AUDSGD	0.9230	0.9245	0.9249	0.9275	0.9300	↘

\* 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	1,592.19	-0.56	-5.82	CRB Index	180.73	0.99	6.43
Dow Jones Ind.	27,766.29	-0.20	19.03	WTI oil (\$/bbl)	58.58	2.57	28.89
S&P 500	3,103.54	-0.16	23.80	Brent oil (\$/bbl)	63.97	2.52	18.90
FTSE 100	7,238.55	-0.33	7.59	Gold (\$/oz)	1,464.41	-0.49	14.23
Shanghai	2,903.64	-0.25	16.43	CPO (RM/tonne)	2,557.00	1.63	30.96
Hang Seng	26,466.88	-1.57	2.40	Copper (\$/tonne)	5,875.00	0.00	-1.51
STI	3,192.21	-1.16	4.02	Rubber (sen/kg)	447.50	0.11	18.07

Source: Bloomberg

## ➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
US Philadelphia Fed Business Outlook	Nov	10.4	5.6	6.0
US Initial Jobless Claims	16 Nov	227k	227k (revised)	218k
US Leading Index	Oct	-0.1%	-0.2% (revised)	-0.2%
US Existing Home Sales MOM	Oct	1.9%	-2.5% (revised)	2.0%
EU Consumer Confidence	Nov A	-7.2	-7.6	-7.3
JP All Industry Activity Index MOM	Sep	1.5%	0.0%	1.5%
JP Machine Tool Orders YOY	Oct F	-37.4%	-35.5%	--
JP Natl CPI Ex Fresh Food YOY	Oct	0.4%	0.3%	0.4%
HK CPI Composite YOY	Oct	3.1%	3.2%	3.2%

Source: Bloomberg

- US Philly Fed Index edged up; initial jobless claims unchanged:** The Philadelphia Fed Manufacturing Survey reported that its general business activity index rose nearly 5pts to 10.4 in November (Oct: 5.6), mainly supported by firms' brighter outlook as the gauge of current state of new orders, shipments and unemployment dropped. The "six-month from now" general business activity rose 2pts as firms see better new orders and employment. On separate note, initial jobless claims amounted to 227k for the week ended 16 Nov (previous: 227k revised), unchanged from the revised figure in the week before, leaving the 4-week moving at a higher 221k (previous: 217.5k) thus offering signs of a softer labour market. The Conference Board Leading Index slipped for the third straight month by 0.1% MOM in October (Sep: -0.2% revised, dragged down by negative contributions from ISM new orders, average workweek, stock prices and interest rate spread.
- US existing home sales rebounded in October:** Existing home sales which make up majority of US housing market rebounded to increase 1.9% MOM in October (Sep: -2.5% revised) following a contraction in September, a welcoming news that the housing market is on a gradual course of recovery amidst lower interest rates environment. Sales have been increasing for the most part of the year and the latest rebound suggests that demand continues to pick up momentum.
- Eurozone consumer confidence improved in November:** The preliminary reading of the European Commission Consumer Confidence Index came in higher at -7.2 in November (Oct: -7.6) to indicate a slight improvement in Euro Area consumer sentiment.
- Japan inflation gained a little on sales tax hike:** The headline National CPI rose 0.2% YOY in October (Sep: +0.2%), unchanged from September's rate. The CPI ex. fresh food, BOJ's preferred inflation gauge meanwhile picked up a mere 0.4% YOY (Sep: +0.3%), to reflect benign inflationary pressure despite the newly implemented sales tax hike in October. Prices of household goods rose 4.2% YOY (Sep: +2.7%) while prices of clothing & footwear gained 1.2% YOY (Sep: 0.0%).
- Japan All Industry Index registered strong gain** All Industry Activity Index rose 1.5% MOM in September as expected (Aug: 0.0%), its largest gain in more than two years, supported by a rebound in manufacturing and larger expansion in the tertiary industry. Meanwhile, machine tools orders plunged 11.6% MOM in October (Sep: +11.9%) amidst falling domestic orders which left the annual contraction at 37.4% YOY (Sep: -35.5%).
- Hong Kong inflation moderated for second month:** Gain in headline CPI pulled back to 3.1% YOY in October (Sep: +3.2%) to mark its second month of moderating growth. Nonetheless inflation remains historically high, driven mainly by the continuous rise in the food basket (+6.1% vs +6.0%) as prices of fresh pork remain elevated amidst a supply shortage from both the domestic and Chinese sources, caused by the rampant swine flu pandemic in China. Mainland China supplies more than 90% of total pork to Hong Kong households. Cost of housing continues to see softer gain (+3.1% vs +3.2%) as private housing rentals continues to moderate since late 2018. Underlying CPI which excludes one-off reliefs from government also softened to 3.1% YOY (Sep: +3.2%).

<b>Economic Calendar</b>						
<b>Date</b>	<b>Country</b>	<b>Events</b>	<b>Reporting Period</b>	<b>Survey</b>	<b>Prior</b>	<b>Revised</b>
22/11	Malaysia	Foreign Reserves	Nov-15	--	\$103.2b	--
22/11	US	Markit US Services PMI	Nov P	51.0	50.6	51.0
		Markit US Manufacturing PMI	Nov P	51.4	51.3	--
		U. of Mich. Sentiment	Nov F	95.7	95.7	--
25/11		Chicago Fed Nat Activity Index	Oct	--	-0.45	--
		Dallas Fed Manf. Activity	Nov	-2.9	-5.1	--
22/11	Eurozone	Markit Eurozone Manufacturing PMI	Nov P	46.4	45.9	--
		Markit Eurozone Services PMI	Nov P	52.4	52.2	--
22/11	Japan	Jibun Bank Japan PMI Mfg	Nov P	--	48.4	--
		Jibun Bank Japan PMI Services	Nov P	--	49.7	50.3
25/11	Singapore	CPI YOY	Oct	0.6%	0.5%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1059	-0.13	1.1097	1.1052	-3.53
GBPUSD	1.2914	-0.08	1.2970	1.2893	1.25
USDJPY	108.63	0.02	108.70	108.28	-1.00
AUDUSD	0.6787	-0.24	0.6814	0.6783	-3.72
EURGBP	0.8566	-0.01	0.8581	0.8545	-4.70
USDMYR	4.1700	0.12	4.1770	4.1650	0.88
EURMYR	4.6228	0.32	4.6277	4.6140	-2.2
JPYMYR	3.8421	-0.01	3.8576	3.8386	2.24
GBPMYR	5.3956	0.48	5.4007	5.3837	2.43
SGDMYR	3.0622	0.13	3.0656	3.0575	0.87
AUDMYR	2.8372	0.10	2.8407	2.8312	-2.94
NZDMYR	2.6798	0.36	2.6808	2.6695	-3.56
CHFMYR	4.2099	0.11	4.2228	4.2051	0.25
CNYMYR	0.5926	0.14	0.5932	0.5925	-2.09
HKDMYR	0.5329	0.15	0.5337	0.5322	0.89
USDSGD	1.3631	0.07	1.3634	1.3611	0.01
EURSGD	1.5074	-0.05	1.5107	1.5068	-3.52
GBPSGD	1.7595	-0.04	1.7657	1.7576	1.25
AUDSGD	0.9252	-0.12	0.9275	0.9246	-3.69

Source: Bloomberg

## Forex

### MYR

- **MYR extended losing streak against the USD on Thursday to close 0.12% weaker at 4.1700** alongside weaker Asian regionals vis-à-vis a slightly stronger dollar amidst a lack of trade-related news in the Asian session.
- **We are still bearish on MYR today** as the dollar likely clings to gain as cautious sentiments dominates the market over mixed headlines heading into the weekend. **Medium term outlook remains bearish**, expecting the USD to strengthen as the Fed reinforced intention to keep the Fed funds rate unchanged in December.

### USD

- The dollar continued to strengthen modestly amidst trade uncertainty, picking up against majority of its major peers. **The dollar index inched up minimally by 0.06% to a level shy of the 98.0 handle.**
- **We are slightly bullish on USD today** as the greenback is gaining momentum against an uncertain trade and political backdrop that is likely to lend support to the greenback. **Medium term outlook remains bullish**, expecting the USD to strengthen as the Fed reinforced intention to keep the Fed funds rate unchanged in December.

### EUR

- **EUR slipped 0.13% against the USD to 1.1059 amidst broad dollar strength.**
- **We are neutral to slightly bearish on EUR as it rebounded back above 1.1060 in Asian morning** amidst cautious sentiment. A break below 1.1060 would open EUR further for more bearish trade heading towards the 1.1050 support level. Key driver could be the development regarding the Trump Administration's potential investigation to justify automobile tariffs on the EU. **In the medium term, outlook remains bearish** as the ECB's plan for looser monetary policy weighs on EUR.

### GBP

- **GBP came off session's high to finish 0.08% lower against the USD at 1.2914** on dollar strength.
- **We are neutral to slightly bearish on GBP today** on broad dollar strength and lack of key Brexit driver. **Medium term outlook is mainly driven by headlines** surrounding Brexit and UK upcoming December ballots.

### JPY

- **JPY finished little changed against the USD at 108.63** in a choppy session marked by cautious sentiment.
- **We are neutral on JPY today as market awaits more concrete development of US-China trade negotiation. We remain bullish on JPY over the medium term** over narrowing yield differentials between the dollar and yen, alongside heightening concerns over Hong Kong protests, Brexit uncertainty and the risk of a US-China trade war escalation.

### AUD

- **AUD reversed intraday gain to close 0.24% lower at 0.6787 on mixed trade and political headlines.**
- **We are still bearish on AUD today** as it stays under pressure below the 0.6800 resistance following poor CBA PMI readings. **Medium term outlook is slightly bullish** as the RBA is still expected to stay put in December's meeting despite a dovish minutes that has revived some rate-cut expectations.

### SGD

- **SGD weakened by 0.07% against the USD to 1.3631** alongside weaker Asian regionals versus a stronger dollar amidst a lack of trade-related news in the Asian session.
- **We are bearish on SGD today** as the dollar likely clings to gain as cautious sentiments dominates the market over mixed headlines heading into the weekend. **Medium term outlook is still bearish**, expecting the USD to strengthen as the Fed reinforced intention to keep the Fed funds rate unchanged in December.

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)**DISCLAIMER**

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