

Global Markets Research

Daily Market Highlights

Key Takeaways

- **US stocks rallied overnight, fuelled by better-than-expected corporate earnings, leading the S&P 500 and NASDAQ to clinch the highest closings on record.** The Dow rose 0.55% (+145.3pts) to 26,656.39, the S&P 500 advanced by 0.88% (+25.71) to 2,933.68 while NASDAQ jumped by 1.32% (+105.55pts) to 8,120.82. **Tuesday's rallies marked a comeback of the stock markets and were boosted by strong earnings reports from social media platform Twitter, aerospace company Lockheed Martin and industrials giant United Technologies as well as other companies which have helped soothe concerns over slower economic growth.** Treasuries yield fell as fresh supply of two, five and seven year notes are being auctioned off this week. 10Y UST yield came off intraday high to close 2bps lower at 2.57%. European key stock benchmarks ended mostly higher whereas Asian markets were mixed- Chinese equities continued to fall while Japanese stocks gained on Tuesday. **Crude oil futures continued to strengthen on tight supply concerns-** WTI advanced further by 0.91% to \$66.30/barrel while Brent picked up 0.63% to \$74.51/barrel.
- Dataflow remained mixed. **US new home sales unexpectedly rose 4.5% MOM** in March, bucking the trend in other housing data while the FHFA house price index gained at a slower pace of 0.3% MOM in February. The Richmond Fed Manufacturing Index unexpectedly pulled back in April, suggesting moderating activities. The **flash European Commission Consumer Confidence Index** fell to -7.9 in April over weak PMIs. Japan machine tools orders rebounded by 19.1% on monthly basis, sales at both department stores and supermarkets remained weak.
- **The Dollar index closed 0.4% higher at 97.631** led by USDCHF on EURCHF buying as EURUSD trades near to 1.1200 support area. **We continue to maintain USD bullishness** as the US economy and equity market continues to outperform its peers. We expect US GDP due later this week to be the catalyst to further drive USD strength.
- **MYR closed 0.08% stronger at 4.1280** amid a somewhat quiet trading day still. **MYR continues to consolidate** between the 4.12-4.15 immediate range with a slight upside bias. Will continue to look towards headlines for further catalysts to drive short term movement.
- **SGD closed weaker by 0.07% at 1.3570 against USD** amid lack of fresh catalysts. **We maintain bearish SGD** as a stronger USD regionally amongst peers may affect overall SGD performance.

Overnight Economic Data

US	➔
Eurozone	⬇
Japan	➔
Singapore	⬆

What's Coming Up Next

Major Data

- Malaysia CPI
- US MBA Mortgage Applications
- Japan All Industry Activity Index, Leading Index, Coincident Index
- Australia CPI

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1175	1.1200	1.1218	1.1246	1.1259	↗
GBPUSD	1.2894	1.2926	1.2941	1.2985	1.3004	↗
USDJPY	111.63	111.76	111.92	112.09	112.30	➔
AUDUSD	0.7046	0.7072	0.7094	0.7125	0.7170	➔
EURGBP	0.8600	0.8652	0.8669	0.8683	0.8693	➔
USDMYR	4.1170	4.1250	4.1300	4.1400	4.1450	↗
EURMYR	4.6160	4.6244	4.6327	4.6379	4.6441	↘
JPYMYR	3.6794	3.6868	3.6899	3.6952	3.7026	➔
GBPMYR	5.3266	5.3324	5.3422	5.3500	5.3864	↘
SGDMYR	3.0351	3.0450	3.0424	3.0600	3.0650	➔
AUDMYR	2.9168	2.9231	2.9290	2.9345	2.9476	➔
NZDMYR	2.7395	2.7438	2.7457	2.7514	2.7613	➔
USDSGD	1.3532	1.3554	1.3571	1.3585	1.3609	↗
EURSGD	1.5100	1.5160	1.5223	1.5311	1.5370	↗
GBPSGD	1.7486	1.7530	1.7561	1.7620	1.7665	↗
AUDSGD	0.9583	0.9600	0.9622	0.9649	0.9695	➔

* 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	1,627.44	0.33	-3.73	CRB Index	187.58	-0.18	10.47
Dow Jones Ind.	26,656.39	0.55	14.27	WTI oil (\$/bbl)	66.30	0.91	46.22
S&P 500	2,933.68	0.88	17.03	Brent oil (\$/bbl)	74.51	0.63	38.49
FTSE 100	7,523.07	0.85	11.82	Gold (\$/oz)	1,274.99	-0.04	-0.83
Shanghai	3,198.59	-0.51	28.26	CPO (RM/tonne)	2,057.50	0.22	5.38
Hang Seng	29,963.24	0.00	15.93	Copper (\$/tonne)	6,407.00	-1.07	7.41
STI	3,353.47	-0.13	9.28	Rubber (sen/kg)	488.50	-0.31	28.89

Source: Bloomberg

Economic Data

	For	Actual	Last	Survey
US FHFA House Price Index MOM	Feb	0.3%	0.6%	0.5%
US Richmond Fed Manufact. Index	Apr	3.0	10.0	10.0
US New Home Sales MOM	Mar	4.5%	5.9% (revised)	-2.7%
EU Consumer Confidence	Apr A	-7.9	-7.2	-7.0
JP Nationwide Dept Sales YOY	Mar	0.1%	0.4%	--
JP Machine Tool Orders YOY	Mar F	-28.5%	-29.3%	--
SG CPI YOY	Mar	0.6%	0.5%	0.7%

Source: Bloomberg

➤ Macroeconomics

- US new home sales rose unexpectedly:** New home sales rose 4.5% MOM in March (Feb: +5.9% revised), marking its third running months of increase since January. The upturn came as a surprise given that consensus have been calling for a decline in sales according to a Bloomberg survey and largely reflects the boost to demand from lower interest rates and amidst expectations that the Fed will back off from raising rates this year. The stronger readings bucked the trend of other key housing indicators namely existing home sales, housing starts and building permits. Meanwhile, home prices also rose a slower pace of 0.3% MOM in February (Jan: +0.6%), according to the Federal Housing Finance Agency (FHFA).
- US Richmond Fed Manufacturing Index points to moderating growth in Fifth District manufacturing:** Fifth District manufacturing activity moderated in April, according to the latest Fifth District Survey of Manufacturing Activity from the Richmond Fed. The composite index fell substantially to 3 in April (Mar: 10) weighed down by the decline in shipments, capacity utilization and the slower gain in employment and wages. Firms however remained optimistic and expected conditions to improve in the next six months.
- Eurozone consumer confidence slipped on weak PMIs:** The flash European Commission Consumer Confidence Index unexpectedly fell to -7.9 in April (Mar: -7.2), reflecting consumers' less upbeat sentiments over the weak April PMI readings which suggest the Eurozone economy struggled to find firm footing in 2Q.
- Japan machine tools order fell; supermarket & department store sales remained weak:** The final reading of Japan machine tool fell 28.5% YOY in March (Feb: -29.3%), unchanged from the initial estimate, largely on unfavorably high base. MOM, orders bounced back up to increase 19.1% (Feb: -12.5%) as both domestic and foreign orders rebounded. Meanwhile, sales on the retail front appeared to remain weak as nationwide department store sales grew at a slower pace of 0.1% YOY in March (Feb: +0.4%) whereas supermarket sales managed to pick up a mere 0.5% YOY (Feb: -2.5%) after falling for fifth month in a row.
- Singapore headline inflation missed expectation:** Singapore consumer inflation rose less than expected as headline CPI increased 0.6% YOY in March (Feb: +0.5%), lower than a Bloomberg consensus estimate of 0.7%. The gain in CPI was led by higher food prices and recreation & culture as well as the slower pace of declines of costs of housing & utilities, transports and communications. The MAS core inflation rate meanwhile eased to 1.4% YOY (Feb: +1.5%), its slowest pace since April last year suggesting that underlying price pressures stayed muted in the economy.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
24/04	Malaysia	CPI YOY	Mar	0.3%	-0.4%	--
24/04	US	MBA Mortgage Applications	Apr-19	--	-3.5%	--
25/04		Initial Jobless Claims	Apr-20	200k	192k	--
		Durable Goods Orders	Mar P	0.8%	-1.6%	--
		Cap Goods Orders Nondef Ex Air	Mar P	0.2%	-0.1%	--
		Kansas City Fed Manf. Activity	Apr	9.0	10.0	--
25/04	UK	CBI Trends Total Orders	Apr	2.0	1.0	--
24/04	Japan	All Industry Activity Index MOM	Feb	-0.2%	-0.2%	--
		Leading Index CI	Feb F	--	97.4	--
		Coincident Index	Feb F	--	98.8	--
25/04		BOJ Policy Balance Rate	Apr-25	--	-0.1%	--
24/04	Australia	CPI YOY	1Q	1.5%	1.8%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1227	-0.27	1.1261	1.1192	-2.14
GBPUSD	1.2938	-0.34	1.3019	1.2929	1.43
USDJPY	111.86	-0.07	112.03	111.65	1.98
AUDUSD	0.7102	-0.45	0.7140	0.7081	0.72
EURGBP	0.8678	0.07	0.8682	0.8636	-3.50
USDMYR	4.1280	-0.08	4.1345	4.1250	-0.14
EURMYR	4.6464	-0.02	4.6551	4.6410	-1.74
JPYMYR	3.6902	-0.13	3.7022	3.6867	-1.80
GBPMYR	5.3629	-0.17	5.3719	5.3548	1.87
SGDMYR	3.0419	-0.20	3.0493	3.0413	0.20
AUDMYR	2.9372	-0.48	2.9487	2.9355	0.49
NZDMYR	2.7508	-0.42	2.7622	2.7482	-1.00
CHFMYR	4.0532	-0.53	4.0718	4.0524	-3.48
CNYMYR	0.6144	-0.28	0.6162	0.6143	1.57
HKDMYR	0.5262	-0.19	0.5271	0.5258	-0.38
USDSGD	1.3570	0.07	1.3585	1.3554	-0.43
EURSGD	1.5235	-0.20	1.5276	1.5204	-2.55
GBPSGD	1.7556	-0.28	1.7662	1.7547	1.00
AUDSGD	0.9637	-0.38	0.9682	0.9620	0.29

Source: Bloomberg

Forex

MYR

- **MYR closed 0.08% stronger at 4.1280** amid a somewhat quiet trading day still.
- **MYR continues to consolidate** between the 4.12-4.15 immediate range with a slight upside bias. Will continue to look towards headlines for further catalysts to drive short term movement.

USD

- **The Dollar index closed 0.4% higher at 97.631** led by USDCHF on EURCHF buying as EURUSD trades near to 1.1200 support area.
- **We continue to maintain USD bullishness** as the US economy and equity market continues to outperform its peers. We expect US GDP due later this week to be the catalyst to further drive USD strength.

EUR

- **EUR closed 0.27% lower at 1.1227 against USD** on broad USD strength led by strong US equities.
- **We continue to maintain EUR bullishness** towards our 1.1350 target and this area might provide better entry levels for this purpose.

GBP

- **GBP closed 0.34% lower at 1.2938** against the USD on broad USD strength.
- **We continue to maintain bullish GBPUSD** over the medium term but shorter term signals are all pointing lower for the time being to target 1.2900 short term support.

JPY

- **JPY closed marginally stronger at 111.86** on slightly lower UST yields.
- **JPY is going nowhere fast** as a mixed equity market vs higher UST yields and vague risk sentiment continues to keep the pair within tight ranges.

AUD

- **AUD weakened 0.45% against the USD at 0.7102** in quiet trading.
- **We turn slightly bearish on AUDUSD today** as the downward push has picked up in the pair. Aussie will take cue from today's CPI reading for further direction.

SGD

- **SGD closed weaker by 0.07% at 1.3570 against USD** amid lack of fresh catalysts.
- **We maintain bearish SGD** as a stronger USD regionally amongst peers may affect overall SGD performance.

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.