

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- US stocks **finished mixed on Monday amidst retreating global risk appetites** as concerns over global growth extended into this week following Fed's dovish outlook and last Friday's weak PMI data. **Sentiments continued to be weighed down by falling treasuries yield** which led to an inverted curve on Friday. The S&P 500 and NASDAQ closed 0.08% and 0.07% lower while the Dow rose 0.06%, supported by a lift in Boeing share prices. Apple stocks fell after introducing its TV streaming services. **Yield on 10Y treasuries fell 4bps to 2.40%, the lowest level since mid-Dec 2017 while at the shorter end, 2Y yield dipped further by 7bps to 2.24%**. Markets were in risk-off modes elsewhere as European and Asian stock benchmarks finished in the reds. Oil futures were mixed – WTI fell 0.37% to \$58.82/barrel while Brent rose 0.27% to \$67.21.
- Data were limited in the US- **the Chicago Fed National Activity Index fell to -0.29 in February marking its third running month of negative print** while the Dallas Fed Manufacturing Index eased to 8.3 in March suggesting a slowdown in Texas factories activity. Japan All Industry Activity Index fell by a slower rate of 0.2% MOM in January. Singapore headline CPI rose 0.5% YOY in February while underlying inflation came in softer. **New Zealand exports staged a rebound rising sharply by 11.2% MOM in February reflecting a surge in shipments to China.**
- **USD index closed lower by 0.1% to 96.552** as currencies begin to retrace last week's move or rather consolidating. **We maintain USD bullishness** over the short term as global economic slowdown fears take center stage in investors mind, hence keeping haven bids in the greenback.
- **MYR closed 0.11% weaker at 4.0690 against the USD** after spending much of the trading day in consolidation mode. **MYR is still technically bearish** against USD in the short term as it still has not recovered against the move on Friday. However, short term bearishness is capped by a slew of moving averages around the 4.0730 area.
- **SGD closed stronger by 0.18% at 1.3501 against USD** in line with other EM currencies as markets begin to retrace or consolidate. **We maintain bearishness on SGD** as global economic slowdown fears take center stage in investors' minds.

#### Overnight Economic Data

US	↓
Japan	↓
Singapore	↑
New Zealand	↑

#### What's Coming Up Next

##### Major Data

- US Housing Starts, Building Permits, FHFA House Price Index, S&P CoreLogic CS 20-City, Richmond Fed Manufact. Index, Conf. Board Consumer Confidence
- Hong Kong Exports, Trade Balance
- Singapore Industrial Productions

##### Major Events

- RBNZ OCR Decision

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1210	1.1260	1.1315	1.1337	1.1380	→
GBPUSD	1.3050	1.3116	1.3203	1.3240	1.3300	↘
USDJPY	109.10	109.55	110.13	110.23	110.68	↘
AUDUSD	0.7000	0.7046	0.7115	0.7119	0.7165	↗
EURGBP	0.8480	0.8524	0.8572	0.8587	0.8622	↗
USDMYR	4.0500	4.0550	4.0650	4.0750	4.0850	↗
EURMYR	4.5758	4.5860	4.6030	4.6115	4.6205	→
JPYMYR	3.6717	3.6805	3.6935	3.7035	3.7322	↘
GBPMYR	5.3121	5.3375	5.3700	5.3855	5.4035	↘
SGDMYR	3.0000	3.0050	3.0140	3.0150	3.0200	→
AUDMYR	2.8720	2.8825	2.8955	2.8970	2.9035	↗
NZDMYR	2.7850	2.8000	2.8140	2.8175	2.8280	↗
USDSGD	1.3455	1.3490	1.3495	1.3565	1.3595	↗
EURSGD	1.5200	1.5245	1.5270	1.5311	1.5370	→
GBPSGD	1.7689	1.7765	1.7818	1.7885	1.7943	↘
AUDSGD	0.9500	0.9545	0.9608	0.9627	0.9650	↗

\* 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	1,649.15	-1.05%	-2.45	CRB Index	184.31	0.08	8.54
Dow Jones Ind.	25,516.83	0.06%	9.39	WTI oil (\$/bbl)	58.82	-0.37	29.42
S&P 500	2,798.36	-0.08%	11.63	Brent oil (\$/bbl)	67.21	0.27	24.93
FTSE 100	7,177.58	-0.42%	6.68	Gold (S/oz)	1,321.90	0.63	3.07
Shanghai	3,043.03	-1.97%	22.02	CPO (RM/tonne)*	1,864.00	-1.48	-4.53
Hang Seng	28,523.35	-2.03%	10.36	Copper (\$/tonne)	6,312.00	-1.70	5.82
STI	3,182.92	-0.91%	3.72	Rubber (sen/kg)	484.00	-0.72	27.70

Source: Bloomberg

**Economic Data**

	For	Actual	Last	Survey
US Chicago Fed National Activity Index	Feb	-0.29	-0.25 (revised)	-0.38
US Dallas Fed Manufacturing Activity	Mar	8.3	13.1	9.0
JP All Industry Activity Index MOM	Jan	-0.2%	-0.4%	-0.6% (revised)
SG CPI YOY	Feb	0.5%	0.4%	0.5%
NZ Trade Balance NZD	Feb	12m	-948m (revised)	-200m
NZ Exports NZD	Feb	4.8b	4.3b (revised)	4.7b

Source: Bloomberg

## ➤ Macroeconomics

- Chicago Fed National Activity Index edged down; Texas manufacturing activities slowed:** The Chicago Fed National Activity Index fell to -0.29 in February (Jan: -0.25 revised), marking its third running month of negative print. The downturn of the index was mainly due to the negative contribution of employment related indicators as well as the personal consumption and housing categories. The fall in manufacturing industrial production continued to translate to a negative contribution from production indicators albeit at a lesser magnitude last month. Overall index points to little change in economic growth in the US economy in February according to Chicago Fed. Separately, the Dallas Fed Manufacturing Index eased to 8.3 in March (Feb: 13.1) suggesting a softening of the business activities in Texas manufacturing industry.
- All industry index suggests softer growth in Japan:** Japan All Industry Activity Index fell by a slower rate of 0.2% MOM in January (Dec: -0.6% revised) as the sharp drop in industrial production (-3.5% vs -0.1%) were partially offset by the rebound in tertiary industry activity (+0.4% vs -0.5%) and construction industry (+2.8% vs -2.4%). The negative reading marked the index's third consecutive month of decline, suggesting that Japan economy started 2019 on a soft note.
- Singapore headline inflation stabilized in February:** Inflation stabilized in Singapore as CPI rose 0.5% YOY in February (Jan: +0.4%), reflecting the slowdown in the fall of prices of housing & utilities (-0.4% vs -0.5%), transport (-1.2% vs -1.8%) and communication (-2.4% vs -2.9%). Prices of clothing & footwear rose 1.4% YOY, unchanged from the previous month while the cost of clothing & footwear rose at a slower pace (+1.2% vs +2.5%). Household durables & services prices went up slightly by 0.8% YOY (Jan: +0.7%). The MAS core inflation however slowed to 1.5% YOY (Jan: +1.7%) suggesting a further softening of underlying inflation.
- New Zealand exports rebounded on huge Chinese demand:** New Zealand exports staged a rebound rising sharply by 11.2% MOM in February (Jan: -18.1%) partially reversing the dip in the previous month. Imports rose 12.9% MOM (Jan: +6.9%) leading the trade balance to swing to a surplus of NZ\$12m (Jan: -NZ\$948m revised). On a yearly basis, exports gained 12.9% YOY (Jan: +6.9%), the largest increase since October last year reflecting the surge in shipments to China (+32.5% YOY).

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
26/03	US	Housing Starts MOM	Feb	-1.6%	18.6%	--
		Building Permits MOM	Feb	-0.9%	1.4%	-0.7%
		FHFA House Price Index MOM	Jan	0.4%	0.3%	--
		S&P CoreLogic CS 20-City YOY NSA	Jan	3.9%	4.2%	--
		Richmond Fed Manufact. Index	Mar	10.0	16.0	--
		Conf. Board Consumer Confidence	Mar	132.5	131.4	--
27/03		MBA Mortgage Applications	Mar-22	--	1.6%	--
		Trade Balance	Jan	-\$57.0b	-\$59.8b	--
26/03	Hong Kong	Exports YOY	Feb	-2.4%	-0.4%	--
		Trade Balance HKD	Feb	-40.5b	-10.3b	--
27/03	China	Industrial Profits YOY	Feb	--	-1.9%	--
26/03	Singapore	Industrial Production YOY	Feb	0.4%	-3.1%	--
27/03	New Zealand	RBNZ Official Cash Rate	Mar-27	1.75%	1.75%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1312	0.09	1.1331	1.1286	-1.32
GBPUSD	1.3195	-0.11	1.3246	1.3160	3.54
USDJPY	109.97	0.05	110.24	109.71	0.31
AUDUSD	0.7112	0.41	0.7117	0.7066	0.87
EURGBP	0.8575	0.19	0.8599	0.8542	-4.68
USDMYR	4.0690	0.11	4.0735	4.0630	-1.56
EURMYR	4.6065	0.25	4.6068	4.5871	-2.56
JPYMYR	3.6957	0.51	3.7120	3.6899	-1.65
GBPMYR	5.3759	0.97	5.3767	5.3570	2.06
SGDMYR	3.0117	0.15	3.0131	3.0025	-0.80
AUDMYR	2.8847	0.07	2.8874	2.8755	-1.31
NZDMYR	2.7993	0.24	2.8038	2.7928	0.74
CHFMYR	4.0946	0.30	4.0987	4.0848	-2.49
CNYMYR	0.6071	0.17	0.6066	0.6052	0.18
HKDMYR	0.5185	0.14	0.5191	0.5176	-1.64
USDSGD	1.3501	-0.18	1.3533	1.3495	-0.95
EURSGD	1.5272	-0.10	1.5308	1.5262	-2.25
GBPSGD	1.7810	-0.31	1.7896	1.7776	2.56
AUDSGD	0.9602	0.24	0.9604	0.9559	-0.98

Source: Bloomberg

## Forex

### MYR

- **MYR closed 0.11% weaker at 4.0690 against the USD** after spending much of the trading day in consolidation mode.
- **MYR is still technically bearish** against USD in the short term as it still has not recovered against the move on Friday. However, short term bearishness is capped by a slew of moving averages around the 4.0730 area.

### USD

- **USD index closed lower by 0.1% to 96.552** as currencies begin to retrace last week's move or rather consolidating.
- **We maintain USD bullishness** over the short term as global economic slowdown fears take center stage in investors mind, hence keeping haven bids in the greenback.

### EUR

- **EUR gained 0.09% to 1.1312 against USD** amid uninspiring consolidation moves as the data calendar remains light.
- **EURUSD is expected to be sideways** as market continues its consolidation mode.

### GBP

- **GBP closed 0.11% lower at 1.3195** against the USD after spending the session swinging on Brexit headlines.
- **We maintain a bearish view on GBPUSD** on technical reasons over the medium term. Over the shorter term, the 1.3150 area and below still beckons as we see little development on Brexit issues.

### JPY

- **JPY weakened 0.05% to 109.97** against the USD in an uninspiring consolidating session.
- **We maintain mildly bullish view on JPY** as seasonality factors continue to support JPY strength.

### AUD

- **AUD closed 0.41% stronger against the USD at 0.7112**, totally retracing the move on Friday as commodities like crude and gold retain a bid tone.
- **We are mildly bullish on AUD here** as we close and open above the previous day's high and we now target 0.7156 over the short term if the momentum can be maintained.

### SGD

- **SGD closed stronger by 0.18% at 1.3501 against USD** in line with other EM currencies as markets begin to retrace or consolidate.
- **We maintain bearishness on SGD** as global economic slowdown fears take center stage in investors' minds.

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