

Global Markets Research

Daily Market Highlights

Key Takeaways

- **US stocks paused year-end rallies in a holiday-thin shortened session on Christmas' eve that saw the Dow Jones slipped a little (-0.13%) from its record high and the S&P 500 (-0.02%) and NASDAQ (+0.08%) ended virtually unchanged.** Trading volumes went down by more than 50% as markets were on holiday mode with traders away for Christmas break. **Treasuries rose after a strong \$41b five-year notes auction that yielded a BTC of 2.49x, pushing down overall benchmark yields by 2-3bps.** The greenback's performance was uneven across the FX board on Christmas day. Gold prices added nearly 1% on Tuesday and barely moved on Christmas day. Crude oil prices extended gain by 1-1.2% ahead of the holiday - Brent crude last traded at \$67.20/barrel on Tuesday. **On the trade front, President Trump said on Tuesday that there will be signing ceremony for him and President Xi to ink the recently announced phase one trade deal, adding that the agreement has been done but is being translated now.**
- **Data release was limited to the Richmond Fed Fifth District Survey which reported that is headline composite index dropped further to -5 in December.** The second month of negative reading reflects fall in shipments and new orders, corresponding to surveyed manufacturers' report on weakness in local business conditions and capacity utilization.
- The greenback's performance was uneven across the FX board on Christmas day with most major currencies being kept around their recent ranges. **The dollar index was little changed at 97.63. We remain neutral on broad USD today** as holidays are expected to keep trading thin and there is no major data and key event in the short term. **Medium term dollar outlook is still bullish,** supported by relatively solid US fundamentals and data.
- **MYR finished 0.14% stronger against the USD at 4.1365** as it strengthened slightly in Tuesday's afternoon session just ahead of Christmas holiday. **Nonetheless, we expect MYR to continue hovering within 4.1300-4.1500 for the remainder of this week** in a muted trading week as the year comes to an end. MYR medium term outlook is still bearish as the dollar is still expected to be well supported by relatively solid US data.
- **SGD finished little changed against the USD at 1.3551. Daily outlook for SGD remains neutral as we continue to expect minimal movement in a holiday week. Medium term outlook is bearish** on relatively weaker albeit improving Singapore data versus a likely stronger dollar.

Overnight Economic Data

US



What's Coming Up Next

Major Data

- US MBA Mortgage Applications and Initial Jobless Claims
- Singapore Industrial Production

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1065	1.1080	1.1093	1.1100	1.1120	➔
GBPUSD	1.2850	1.2900	1.2973	1.3000	1.3080	↗
USDJPY	108.40	109.00	109.41	109.70	110.00	➔
AUDUSD	0.6880	0.6900	0.6925	0.6950	0.6980	➔
EURGBP	0.8450	0.8500	0.8550	0.8600	0.8650	➔
USDMYR	4.1300	4.1350	4.1365	4.1500	4.1600	➔
EURMYR	4.5700	4.5800	4.5885	4.6000	4.6100	➔
JPYMYR	3.7675	3.7750	3.7803	3.7950	3.8015	➔
GBPMYR	5.3250	5.3450	5.3658	5.3825	5.4150	↗
SGDMYR	3.0480	3.0515	3.0532	3.0550	3.0600	➔
AUDMYR	2.8560	2.8600	2.8643	2.8700	2.8750	➔
NZDMYR	2.7250	2.7333	2.7487	2.7540	2.7630	➔
USDSGD	1.3515	1.3530	1.3548	1.3575	1.3600	➔
EURSGD	1.4970	1.5000	1.5028	1.5050	1.5095	➔
GBPSGD	1.7450	1.7500	1.7574	1.7625	1.7675	↗
AUDSGD	0.9250	0.9370	0.9382	0.9400	0.9430	➔

* 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*	1,604.23	-0.62	-5.11	CRB Index*	185.53	0.58	9.26
Dow Jones Ind.*	28,515.45	-0.13	22.24	WTI oil (\$/bbl)	61.11	0.97	34.46
S&P 500*	3,223.38	-0.02	28.58	Brent oil (\$/bbl)	67.20	1.22	24.91
FTSE 100*	7,632.24	0.11	13.44	Gold (\$/oz)	1,499.84	0.03	16.92
Shanghai	2,981.88	-0.03	19.57	CPO (RM/tonne)*	2,875.50	-0.29	47.27
Hang Seng*	27,864.21	-0.15	7.81	Copper (\$/tonne)*	6,215.00	0.40	4.19
STI*	3,221.67	0.24	4.98	Rubber (sen/kg)*	455.00	0.33	20.05

*Closing for 24 Dec, Tuesday.

Source: Bloomberg

Macroeconomics

Economic Data

	For	Actual	Last	Survey
US Richmond Fed Manufacturing Index	Dec	-5	-1	-1

Source: Bloomberg

- US Richmond Fed Manufacturing index slipped lower in December:** Data release was limited to the Richmond Fed Fifth District Survey which reported that its headline composite index dropped further to -5 in December (Nov: -1). The second month of negative reading reflects fall in shipments and new orders, corresponding to surveyed manufacturers' report on weakness in local business conditions and capacity utilization. Despite that, firms appeared to be optimistic over conditions in the next six months as they expect shipments to rise, supported by steady new order volume.

Economic Calendar

Date	Country	Events	Reporting Period	Survey	Prior	Revised
26/12	US	MBA Mortgage Applications	20 Dec	--	-5.0%	--
		Initial Jobless Claims	21 Dec	220k	234k	--
27/12	Japan	Jobless Rate	Nov	2.4%	2.4%	--
		Job-To-Applicant Ratio	Nov	1.57	1.57	--
		Retail Sales YOY	Nov	-1.7%	-7.1%	-7.0%
		Industrial Production YOY	Nov P	-8.1%	-7.7%	--
26/12	Singapore	Industrial Production YOY	Nov	-0.8%	4.0%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1093	0.04	1.1110	1.1074	-3.28
GBPUSD	1.2961	0.13	1.3253	1.2360	1.70
USDJPY	109.38	-0.01	110.29	109.00	-0.27
AUDUSD	0.6920	-0.03	0.6953	0.6879	-1.79
EURGBP	0.8559	-0.06	0.8576	0.8534	-4.88
USDMYR	4.1365	-0.14	4.1440	4.1360	0.07
EURMYR	4.5812	-0.23	4.5953	4.5812	-3.09
JPYMYR	3.7828	-0.13	3.7881	3.7824	0.67
GBPMYR	5.3524	-0.80	5.3647	5.3499	1.61
SGDMYR	3.0524	-0.09	3.0559	3.0517	0.54
AUDMYR	2.8646	-0.01	2.8702	2.8623	-2.00
NZDMYR	2.7474	0.19	2.7492	2.7427	-1.13
CHFMYR	4.2111	-0.28	4.2204	4.2106	0.28
CNYMYR	0.5906	-0.03	0.5911	0.5903	-2.42
HKDMYR	0.5315	-0.08	0.5323	0.5314	0.62
USDSGD	1.3551	-0.04	1.3558	1.3526	-0.59
EURSGD	1.5035	0.03	1.5147	1.5006	-3.85
GBPSGD	1.7553	0.00	1.7585	1.7501	1.10
AUDSGD	0.9374	-0.10	0.9410	0.9317	-2.35

All MYR crosses' closings as at 24 Dec, Tuesday

Source: Bloomberg

Forex

MYR

- MYR finished **0.14% stronger against the USD at 4.1365** as it strengthened slightly in Tuesday's afternoon session just ahead of Christmas holiday.
- **Nonetheless, we expect MYR to continue hovering within 4.1300-4.1500 for the remainder of this week** in a muted trading week as the year comes to an end. MYR medium term outlook is still bearish as the dollar is still expected to be well supported by relatively solid US data.

USD

- The greenback's performance was uneven across the FX board on Christmas day with most major currencies being kept around their recent ranges. **The dollar index was little changed at 97.63.**
- **We remain neutral on broad USD today** as holidays are expected to keep trading thin and there is no major data and key event in the short term. **Medium term dollar outlook is still bullish**, supported by relatively solid US fundamentals and data.

EUR

- **EUR picked up minimally by 0.04% against the USD at 1.1093.**
- **EUR daily outlook remains neutral** as thin trading volume looks likely to keep the currency constricted within 1.1070-1.1100. **Medium term outlook is bearish** on ECB's accommodative monetary policy stance and continued weaker growth outlook versus a more solid US economy.

GBP

- **GBP rose a little by 0.13% against the USD at 1.2961.**
- **GBP is slightly bullish for now** as it continues to strengthen a little in holiday thin trading but likely remains below 1.3000 handle. **Medium term outlook is neutral for now, determined by Brexit development.**

JPY

- **JPY continued to trade little changed against the USD at 109.38.**
- **JPY daily outlook remains neutral** today as the currency continues to hover around 109.40 amidst dull trading and lack of major driver in a quiet holiday week lacking in key event risk. **Medium term outlook is neutral** over lower risks of US-China trade war escalation.

AUD

- **AUD barely changed at 0.6920 against the USD.**
- **Daily outlook is neutral** as AUD likely stays above 0.6900 in the short term after breaking above 0.6900 key resistance, supported by ongoing optimistic US-China trade outlook. **Medium term outlook is neutral** amidst lower risk of a US-China trade war escalation and RBA's accommodative stance.

SGD

- **SGD finished little changed against the USD at 1.3551.**
- **Daily outlook for SGD remains neutral** as we continue to expect minimal movement in a holiday week. **Medium term outlook is bearish** on relatively weaker albeit improving Singapore data versus a likely stronger dollar.

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