

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **US stocks edged higher overnight to finish at record highs aided by strong data that reflected the US solid economic footing and President Trump's comment that fueled trade optimism.** US 3Q GDP growth was revised higher alongside a rebound in durable goods order and lower initially jobless claims. President Trump said the US and China were in a "final throes" of a deal. Major indexes finished 0.2-0.6% in a muted session ahead of the Thanksgiving holiday. Bond yields picked up 2-5bps. Dollar strengthened against most of its major peers on strong data. The pound surged as a popular poll indicated significant Tories majority in December ballot. Gold and JPY slipped in a risk-on environment, crude oil prices fell by 0.3-0.5%. Brent crude closed at \$64.06/barrel. **Fed Beige Book indicated continuous modest growth in the US economy.**
- The positive US data bag brought cheer and relief to the markets ahead of Thanksgiving. **Second reading of 3Q GDP showed growth grew more than initially expected by 2.1% QOQ, due to upward revision in personal consumption and investment. Growth in personal spending appears to be holding on,** with the latest print showing a faster growth of 0.3% MOM in October even as income stagnated. **Durable goods rebounded** signaling the case of rising business investment while **manufacturing activities ticked higher in Chicago.** There were also some reprieves from the **decline in initial jobless claims** but pending home sales bucked the recent positive trend seen in housing data. **Over in China, the decline in industrial profits reinforced slowing growth outlook.**
- Dollar strengthened against most of its major peers on strong data. **The dollar index rose 0.12% to 98.37. We are neutral to slightly bullish on USD** on firmer GBP and JPY but expect USD to remain strong against its major counterparts. **Medium term outlook remains bullish,** expecting the USD to strengthen as the Fed reinforced intention to keep the Fed funds rate unchanged in December, supported by better 4Q US data.
- **MYR snapped seven-day losing streak to finish 0.27% stronger against the USD at 4.1715** to become the top performer among its regional peers alongside higher Asian equities on the back of better risk sentiment surrounding US-China partial trade deal. **MYR is neutral and likely trades around recent ranges today** as USD remains strong in general, supported by solid US data but expect muted movement on a US holiday. USD is likely supported over news that Trump has signed the controversial Hong Kong bill that would provoke China.
- **SGD closed 0.08% lower against the USD at 1.3652. We are bearish on SGD today** over ongoing dollar strength, expecting USD to be supported by news of Trump signing the HK bill. **Medium term outlook is still bearish,** expecting the USD to strengthen as the Fed reinforced its intention to keep the Fed funds rate unchanged in December.

#### Overnight Economic Data

US  
China



#### What's Coming Up Next

##### Major Data

- Eurozone Economic Confidence
- UK Nationwide House Price Index
- Japan Retail Sales
- New Zealand ANZ Business Confidence

##### Major Events

- Nil

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1080	1.1000	1.1005	1.1020	1.1050	↘
GBPUSD	1.2850	1.2900	1.2923	1.2950	1.3000	↗
USDJPY	109.00	109.30	109.37	109.45	109.60	↘
AUDUSD	0.6725	0.6750	0.6767	0.6780	0.6800	↘
EURGBP	0.8490	0.8500	0.8515	0.8530	0.8550	↘
USDMYR	4.1650	4.1700	4.1735	4.1800	4.1850	→
EURMYR	4.5800	4.5900	4.5934	4.6000	4.6100	↗
JPYMYR	3.8000	3.8050	3.8156	3.8210	3.8340	↘
GBPMYR	5.3600	5.3750	5.3945	5.4000	5.4150	↗
SGDMYR	3.0500	3.0550	3.0556	3.0575	3.0600	↗
AUDMYR	2.8150	2.8200	2.8250	2.8300	2.8370	↘
NZDMYR	2.6670	2.6750	2.6817	2.6905	2.7000	↗
USDSGD	1.3625	1.3635	1.3660	1.3665	1.3675	↗
EURSGD	1.5000	1.5020	1.5033	1.5050	1.5080	↗
GBPSGD	1.7525	1.7580	1.7651	1.7700	1.7750	↗
AUDSGD	0.9200	0.9230	0.9244	0.9265	0.9280	↘

\* 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	1,587.18	0.21	-6.12	CRB Index	180.35	-0.42	6.21
Dow Jones Ind.	28,164.00	0.15	20.73	WTI oil (\$/bbl)	58.11	-0.51	27.97
S&P 500	3,153.63	0.42	25.80	Brent oil (\$/bbl)	64.06	-0.33	19.07
FTSE 100	7,429.78	0.36	10.43	Gold (S/oz)	1,454.44	-0.48	13.61
Shanghai	2,903.20	-0.13	16.41	CPO (RM/tonne)	2,588.50	-2.15	32.57
Hang Seng	26,954.00	0.15	4.29	Copper (\$/tonne)	5,924.00	0.95	-0.69
STI	3,215.53	0.24	4.78	Rubber (sen/kg)	450.50	0.56	18.87

Source: Bloomberg

## ➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
US MBA Mortgage Applications	22 Nov	1.5%	-2.2%	--
US GDP Annualized QOQ	3Q S	2.1%	2.0%	1.9%
US Durable Goods Orders	Oct P	0.6%	-1.4% (revised)	-0.9%
US Cap Goods Orders Nondef Ex Air	Oct P	1.2%	-0.5% (revised)	-0.2%
US Initial Jobless Claims	23 Nov	213k	228k (revised)	221k
US MNI Chicago PMI	Nov	46.3	43.2	47.0
US Personal Income	Oct	0.0%	0.3%	0.3%
US Personal Spending	Oct	0.3%	0.2%	0.3%
US Core PCE Price Index YOY	Oct	1.6%	1.7%	1.7%
US Pending Home Sales MOM	Oct	-1.7%	1.4% (revised)	0.2%
CN Industrial Profits YOY	Oct	-9.9%	-5.3%	--

Source: Bloomberg

- US 3Q GDP growth revised higher:** US 3Q annualized GDP growth was revised higher from 1.9% to 2.1% QOQ (2Q: +2.0%) according to the BEA's second estimate as a result of upward revisions to private inventory investment, nonresidential fixed investment, and personal consumption expenditures (PCE) that were partially offset by a downward revision to state and local government spending. On a yearly basis, real GDP growth was slower at 2.1% (2Q: +2.3%), but better than the initial estimate of 2.0%.
- Solid increase in US personal spending; further pullback in core PCE inflation:** The latest Personal Outlay Report shows that personal spending picked up a solid 0.3% MOM in October (Sep: +0.2%) despite an unchanged personal income (0.0% vs +0.3%), adding to signs of strong consumer spending in the fourth quarter. The gain in the all-important core PCE price index, the Fed's preferred gauge of inflation however pulled back further to 1.6% YOY (Sep: +1.7%) confirming that inflation has lost momentum in the recent months in the US, but we do not foresee this to alter the Fed's latest monetary policy outlook which is to keep fed funds rate unchanged in the December meeting.
- US durable goods orders, core capital orders rebounded:** Orders of durable goods i.e goods meant to last for at least three years rose 0.6% MOM in October (Sep: -1.4% revised), supported by the larger increase in computer & electronic products as well as nondefense as well as defense aircrafts. Orders of motor vehicles & parts continued to decline although at a smaller magnitude. The key capex gauge core capital orders (nondefense capital orders excluding aircrafts) meanwhile picked up by a solid 1.5% MOM (Sep: -0.5% revised) while shipments of these goods also rose 0.8% MOM (Sep: -0.8%), a welcoming sign that US firms are raising capital expenditure in at the start of the final quarter.
- US pending home sales disappointed:** The National Association of Realtors (NAR) Pending Home Sales Index which tracks the number of signed real estate contract of existing homes sales missed expectation to decline 1.7% MOM in October (Sep: +1.5%). The index gauged contract activity in the existing homes markets and thus is a leading indicator for existing home sales. Following a recent pickup in existing home sales, the latest pending home sales print suggests softer existing home sales in the fourth quarter as potential buyers delayed decisions ahead of major holidays in a colder weather. Nonetheless it's encouraging to see that , the rebound in MBA mortgage applications (+1.5% vs -2.2%), a result of higher demand in both refinancing and purchase segments as borrowing costs went down generally last week.
- Initial jobless claims slipped 15k:** Initial jobless claims decreased by 15k to 213k for the week ended 23 Nov (previous: 228k revised) after hovering at 5-month high for two consecutive weeks. This left the 4-week moving average at a lower 219.75k (previous: 221.2k revised), easing recent concerns over an increasingly weakening job market.
- Fed Beige Book reported modest growth in US activity:** The Fed's last Beige Book of the year reported that US economic activity "expanded modestly from October through mid-November, similar to the pace of growth seen over the prior reporting period." The survey also reported moderately growing consumer spending and increases in auto sales and tourism in several district. More districts reported an expansion in manufacturing than in the prior period, though the majority continued to experience no growth. Employment continued to increase slightly amidst a tight labour market where vast majority of the 12 districts noted difficulty in hiring workers.

- **MNI Chicago PMI rebounded but below 50 in November:** The MNI Chicago PMI improved to 46.3 in November (Oct: 43.2) from the recent October low, but remains below 50.0 for the third straight month to indicate continuously poor manufacturing conditions in Chicago.
- **China industrial profits plunged:** China industrial profits extended its decline for a 3<sup>rd</sup> straight month, and fell the most based on available record dated back to 2011, by 9.9% YOY in October (Sept: -5.3%). Falling producer prices and slower domestic demand has dampened profitability, casting doubts on business investment and growth momentum going forward.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
<b>28/11</b>	<b>Eurozone</b>	<b>Economic Confidence</b>	<b>Nov</b>	<b>101.0</b>	<b>100.8</b>	--
		<b>Consumer Confidence</b>	<b>Nov F</b>	--	<b>-7.2</b>	--
29/11		Unemployment Rate	Oct	7.5%	7.5%	--
		CPI Estimate YOY	Nov	0.9%	0.7%	--
		CPI Core YOY	Nov P	1.2%	1.1%	--
<b>28/11</b>	<b>UK</b>	<b>Nationwide House Px NSA YOY</b>	<b>Nov</b>	<b>0.2%</b>	<b>0.4%</b>	--
29/11		GfK Consumer Confidence	Nov	-14	-14	--
		Mortgage Approvals	Oct	65.5k	65.9k	--
<b>28/11</b>	<b>Japan</b>	<b>Retail Sales YOY</b>	<b>Oct</b>	<b>-3.8%</b>	<b>9.1%</b>	<b>9.2%</b>
29/11		Jobless Rate	Oct	2.4%	2.4%	--
		Job-To-Applicant Ratio	Oct	1.56	1.57	--
		Industrial Production YOY	Oct P	-5.2%	1.3%	--
<b>28/11</b>	<b>New Zealand</b>	<b>ANZ Business Confidence</b>	<b>Nov</b>	--	<b>-42.4</b>	--
29/11		ANZ Consumer Confidence Index	Nov	--	118.4	--
29/11	Vietnam	CPI YOY	Nov	2.9%	2.2%	--
		Exports YOY	Nov	7.3%	-0.8%	--
		Industrial Production YOY	Nov	--	9.2%	--
		Retail Sales YTD YOY	Nov	--	11.8%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.0999	-0.20	1.1025	1.0992	-4.03
GBPUSD	1.2921	0.43	1.2921	1.2827	1.46
USDJPY	109.54	0.45	109.61	109.02	-0.28
AUDUSD	0.6776	-0.18	0.6791	0.6772	-4.04
EURGBP	0.8513	-0.62	0.8584	0.8511	-5.39
USDMYR	4.1715	-0.27	4.1860	4.1710	0.91
EURMYR	4.5924	-0.33	4.6115	4.5902	-2.85
JPYMYR	3.8228	-0.52	3.8363	3.8219	1.73
GBPMYR	5.3625	-0.48	5.3801	5.3542	1.80
SGDMYR	3.0545	-0.29	3.0661	3.0536	0.61
AUDMYR	2.8299	-0.24	2.8416	2.8278	-3.19
NZDMYR	2.6827	-0.10	2.6913	2.6816	-3.45
CHFMYR	4.1828	-0.26	4.1946	4.1792	-0.39
CNYMYR	0.5941	-0.06	0.5958	0.5938	-1.84
HKDMYR	0.5331	-0.28	0.5346	0.5330	0.93
USDSGD	1.3652	0.08	1.3665	1.3639	0.21
EURSGD	1.5016	-0.12	1.5049	1.5011	-3.83
GBPSGD	1.7642	0.32	1.7642	1.7524	1.67
AUDSGD	0.9251	-0.09	0.9273	0.9249	-3.83

Source: Bloomberg

## Forex

### MYR

- **MYR snapped seven-day losing streak to finish 0.27% stronger against the USD at 4.1715** to become the top performer among its regional peers alongside higher Asian equities on the back of better risk sentiment surrounding US-China partial trade deal.
- **MYR is neutral and likely trades around recent ranges today** as USD remains strong in general, supported by solid US data but expect muted movement on a US holiday. USD is likely supported over news that Trump has signed the controversial Hong Kong bill that would provoke China. **Medium term MYR outlook remains bearish**, expecting the USD to strengthen as the Fed reinforced intention to keep Fed funds rate unchanged in December, supported by better 4Q US data.

### USD

- Dollar strengthened against most of its major peers on strong data. **The dollar index rose 0.12% to 98.37.**
- **We are neutral to slightly bullish on USD** on firmer GBP and JPY but expect USD to remain strong against its major counterparts. **Medium term outlook remains bullish**, expecting the USD to strengthen as the Fed reinforced intention to keep the Fed funds rate unchanged in December, supported by better 4Q US data.

### EUR

- **EURUSD slipped below 1.10 handle as the greenback gained strength on solid US data. EUR finished 0.2% lower against the USD at 1.0999.**
- **EUR remains bearish** and stays under pressure around the 1.10 handle in the Asian morning. Key data to anticipate today is the European Commission Economic Sentiment Indicator. **Medium term outlook is still bearish**, weighed down by weaker growth outlook and the ECB's plan for looser monetary policy.

### GBP

- **GBP surged by 0.43% against the USD at 1.2921** as a popular YouGov MRP poll indicated significant Tories majority in December ballot.
- **We are bullish on GBP today on firmer confidence surrounding a Tories majority in the 12 December election.** Medium term outlook is still driven by Brexit headlines and December election outcome and again, a Tories win is likely to keep GBP supported.

### JPY

- **JPY extended further losing streak against the USD by 0.45% to 109.54, alongside falling gold and higher UST yields** in a risk-on environment marked by strong US data and better trade optimism.
- **We are bullish on JPY today** over higher safe havens bid as Trump signed the Hong Kong Human Rights and Democracy Act that is likely to trigger China's angst and potentially jeopardizing the mini trade deal in progress. **We remain bullish on JPY over the medium term** over narrowing yield differentials between the dollar and yen, alongside concerns over Hong Kong unrests, lingering Brexit and trade uncertainties.

### AUD

- **AUD lost 0.18% against the USD at 0.6776 amidst broad dollar strength.**
- **AUD is bearish today** after a disappointing 3Q private capex number and is likely pressured by news that Trump had signed the controversial HK bill. **Short term outlook is bullish** as the RBA expected to keep cash rate steady next week.

### SGD

- **SGD closed 0.08% lower against the USD at 1.3652.**
- **We are bearish on SGD today** over ongoing dollar strength, expecting USD to be supported by news of Trump signing the HK bill. **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.

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