

Global Markets Research

Daily Market Highlights

Key Takeaways

- **Shrugging off weaker economic prints, stocks ended higher in the US** as US Treasuries bond yields bounced off a 15-month low. The Dollar Index extended its leg up for a 3rd straight day, closing above the 97 key resistance level at 97.20. **Moving forward, resumption of US-China trade talks, and Britain's (yet another) vote for a Brexit deal would likely be driving headlines**, in addition to key US job reports and PMI prints globally.
- **Overnight data were downbeat in the US and EU but offered some bright spots in Japan and New Zealand.** Final 4Q GDP print confirmed that the US economy has slowed more than initially estimated to 2.2% QOQ (3Q: +3.4% QOQ) as a result of downward revision in all key components (except exports). Eurozone confidence readings generally deteriorated in March, reinforcing prospects of softer growth ahead. Japanese data came in less downbeat with improvement in job data, industrial production retail sales while New Zealanders turned more upbeat despite weaker business confidence and building approvals.
- **USD index closed higher 0.25% to 97.208** on generally stronger USD due to safe haven demand. **We maintain USD bullishness** as global growth fears are growing and a realization that a US-China trade war resolution is still pretty far away.
- **MYR closed 0.16% weaker at 4.0795** on sustained USD strength due to safe haven demand. **We maintain MYR bearishness** over the short term however as previously mentioned, the speed would likely be slower around current area as we approach a slew of moving averages acting as short term resistances.
- **SGD closed weaker 0.08% at 1.3565 against USD** in line with broader USD strength. **We maintain bearishness on SGD** as the technical picture still supports our view.

Overnight Economic Data

US	↓
Eurozone	↓
Japan	→
New Zealand	→

What's Coming Up Next

Major Data

- US Personal Income, Personal Spending, Core PCE, Chicago Purchasing Manager, U. of Mich. Sentiment, New Home Sales
- UK GfK Consumer Confidence, 4Q GDP, Mortgage Approvals

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1160	1.1200	1.1233	1.1260	1.1300	↘
GBPUSD	1.2880	1.2980	1.3065	1.3150	1.3200	↘
USDJPY	109.50	110.00	110.55	110.70	111.00	→
AUDUSD	0.7010	0.7060	0.7088	0.7115	0.7150	→
EURGBP	0.8525	0.8575	0.8600	0.8632	0.8670	↗
USDMYR	4.0650	4.0700	4.0780	4.0850	4.0950	↗
EURMYR	4.5520	4.5640	4.5865	4.5900	4.6105	→
JPYMYR	3.6717	3.6805	3.6925	3.7085	3.7322	↗
GBPMYR	5.2610	5.2950	5.3330	5.3500	5.3740	↘
SGDMYR	3.0000	3.0075	3.0120	3.0170	3.0210	→
AUDMYR	2.8725	2.8855	2.8930	2.9160	2.9287	→
NZDMYR	2.7380	2.7535	2.7690	2.7822	2.7950	→
USDSGD	1.3475	1.3510	1.3555	1.3575	1.3600	↗
EURSGD	1.5160	1.5200	1.5230	1.5311	1.5370	→
GBPSGD	1.7560	1.7683	1.7710	1.7795	1.7875	↘
AUDSGD	0.9530	0.9580	0.9605	0.9673	0.9705	→

* 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	1,641.33	-0.09	-2.91	CRB Index	183.33	-0.34	7.97
Dow Jones Ind.	25,717.46	0.36	10.25	WTI oil (\$/bbl)	59.30	-0.19	30.59
S&P 500	2,815.44	0.36	12.31	Brent oil (\$/bbl)	67.82	-0.01	27.89
FTSE 100	7,234.33	0.56	7.52	Gold (\$/oz)	1,290.42	-1.46	0.68
Shanghai	2,994.94	-0.92	20.09	CPO (RM/tonne)*	1,887.50	-0.87	-3.33
Hang Seng	28,775.21	0.16	11.33	Copper (\$/tonne)	6,335.00	0.08	6.20
STI	3,203.58	0.16	4.39	Rubber (sen/kg)	478.00	-0.31	26.12

Source: Bloomberg

Economic Data

	For	Actual	Last	Survey
US GDP Annualized QOQ	4Q T	2.2%	2.6%	2.3%
US Initial Jobless Claims	Mar-23	211k	216k (revised)	220k
US Pending Home Sales MOM	Feb	-1.0%	4.3% (revised)	-0.5%
US Kansas City Fed Manf. Activity	Mar	10.0	1.0	0.0
EU Economic Confidence	Mar	105.5	106.2 (revised)	105.9
EU Consumer Confidence	Mar F	-7.2	-7.2	-7.2
JP Jobless Rate	Feb	2.3%	2.5%	2.5%
JP Industrial Production MOM	Feb P	1.4%	-3.4%	1.4%
JP Retail Trade YOY	Feb	0.4%	0.6%	1.0%
JP Retail Sales MOM	Feb P	0.2%	-1.8% (revised)	1.0%
NZ Building Permits MOM	Feb	1.9%	13.6% (revised)	--
NZ ANZ Consumer Confidence	Mar	121.8	120.8	--
NZ ANZ Business Confidence	Mar	-38.0	-30.9	--

Source: Bloomberg

➤ Macroeconomics

- Final GDP reading confirmed a slowdown in 4Q:** Final 4Q GDP print confirmed that the US economy has slowed more than initially estimated to 2.2% QOQ (3Q: +3.4% QOQ) as a result of downward revision in all key components (except exports) led by personal consumption, which grew 2.5% QOQ now compared to +2.8% in the advance estimate and +3.5% in 3Q. YOY growth was revised lower to 3.0%, from +3.1% estimated earlier and +3.0% in 3Q, brining full year GDP growth to 2.9%. Separate releases also offered little change to the overall health of the US economy. Pending home sales fell more than expected by 1.0% MOM in February (Jan: +4.3% revised), echoing weaknesses seen in other housing data. Initial jobless claims fell 5k to 211k for the week ended 23-March, reaffirming continuous recovery in the job market. On the contrary, Kansas City manufacturing activities saw a sharp rebound in March, with the index rising to 10 from 1 a month ago. Improvement in employment and rebound in new orders led the gains, the first in four months but this single point of data from one district is not sufficient to overturn other broad indicators suggesting a slowdown in the manufacturing sector.
- Confidence stayed soft across the board in Eurozone:** Confidence readings showed further deterioration across all sectors except consumer in March, reinforcing prospects of softer growth ahead. Economic confidence eased more than expected to 105.5 (Feb: 106.2 revised), business climate indicator also pulled back more than expected to 0.53 in March (Feb: 0.69), and so is industrial (-1.7% vs -0.4) and services confidence (11.3 vs 12.1). Final print of consumer confidence however confirmed decreased pessimism among consumers for the 3rd consecutive month (-7.2 vs -7.4).
- Some bright spots in Japanese data:** Japan jobless rate unexpectedly improved to 2.3% in February (Jan: 2.5%) as the labour force participation rate inched up to 61.4% and the number of unemployed fell 120k. Tracking the improvement in the job market, retail sales rebounded to increase 0.2% MOM in February (Jan: -1.8% revised) but retail trade saw more moderate increase of 0.4% YOY (Jan: +0.6%). Industrial production rebounded to increase 1.4% MOM in February as expected (Jan: -3.4%), marking its first gain in four months thanks to monthly rebound in shipment and inventory.
- Business confidence further deteriorated but consumers turned more upbeat in New Zealand:** ANZ business confidence softened for the 2nd straight month to -38.0 in March (Feb: -30.9), marking its most pessimistic month in five months. Details were generally weaker with poorer activity outlook, exports, investment, employment, and construction among others, signaling increasing headwinds for the New Zealand economy going forward that could lead to a sooner than later policy rate cut as signaled by RBNZ earlier in the week. However, consumer confidence inched up again to 121.8 in March (Feb: 120.8), as consumers are generally more upbeat on family finances and the economy ahead. In a separate release, building permits grew at a much slower pace of 1.9% MOM in February (Jan: +13.6% revised), marking its third straight month of growth nonetheless boosted by gains in apartments, townhouses, and flats while houses fell.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
01/04	Malaysia	Nikkei Malaysia PMI	Mar	--	47.6	--
29/03	US	Personal Income	Feb	0.3%	-0.1%	--
		Personal Spending	Jan	0.3%	-0.5%	--
		PCE Core YOY	Jan	1.9%	1.9%	--
		Chicago Purchasing Manager	Mar	61.0	64.7	--
		U. of Mich. Sentiment	Mar F	97.8	97.8	--
		New Home Sales MOM	Feb	2.1%	-6.9%	--
01/04	US	Retail Sales Advance MOM	Feb	0.3%	0.2%	--
		Markit Manufacturing PMI	Mar F	--	52.5	--
		ISM Manufacturing	Mar	54.2	54.2	--
		Construction Spending MOM	Feb	-0.3%	1.3%	--
01/04	Eurozone	Markit Manufacturing PMI	Mar F	--	47.6	--
		CPI YOY	Mar	1.5%	1.5%	--
29/03	UK	GfK Consumer Confidence	Mar	-14	-13	--
		Nationwide house prices YOY	Mar	0.6%	0.4%	--
		GDP QOQ	4Q F	0.2%	0.2%	--
		Mortgage Approvals	Feb	65.0k	66.8k	--
01/04		Markit UK Manufacturing PMI	Mar	--	52.0	--
29/03	Japan	Housing starts YOY	Feb	-0.1%	1.1%	--
01/04		Tankan Large Manufacturing Outlook	1Q	13.0	15.0	--
		Tankan Large Non-Mfg Outlook	1Q	21.0	20.0	--
		Nikkei Japan Manufacturing PMI	Mar F	--	48.9	--
31/03	China	Non-manufacturing PMI	Mar	54.3	54.3	--
		Manufacturing PMI	Mar	49.6	49.2	--
01/04		Caixin China Manufacturing PMI	Mar	50.0	49.9	--
01/04	Hong Kong	Retail Sales Value YOY	Feb	--	7.1%	--
01/04	Australia	AiG Perf of Mfg Index	Mar	--	54.0	--
		NAB Business Confidence	Mar	--	2.0	--
29/03	Vietnam	Industrial production YOY	Mar	--	10.3%	--
		Retail sales YTD YOY	Mar	--	12.2%	--
		CPI YOY	Mar	3.0%	2.64%	--
		GDP YOY	1Q	6.5%	7.3%	--
		Exports YOY	Mar	-4.0%	1.6%	--
01/04		Nikkei Vietnam PMI Mfg	Mar	--	51.2	--

Source: Bloomberg

Forex

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1221	-0.20	1.1261	1.1214	-2.08
GBPUSD	1.3044	-1.10	1.3213	1.3035	2.37
USDJPY	110.63	0.11	110.83	110.02	0.88
AUDUSD	0.7074	-0.34	0.7106	0.7064	0.43
EURGBP	0.8603	0.90	0.8609	0.8513	-4.32
USDMYR	4.0795	0.16	4.0833	4.0690	-1.31
EURMYR	4.5915	-0.06	4.5953	4.5771	-2.87
JPYMYR	3.6983	0.31	3.7065	3.6834	-1.58
GBPMYR	5.3636	-0.27	5.3862	5.3507	1.82
SGDMYR	3.0089	-0.06	3.0136	3.0003	-0.89
AUDMYR	2.8918	-0.32	2.8967	2.8798	-1.07
NZDMYR	2.7789	0.11	2.7828	2.7620	0.01
CHFMYR	4.0951	-0.34	4.1026	4.0904	-2.48
CNYMYR	0.6071	-0.01	0.6066	0.6051	0.19
HKDMYR	0.5195	0.04	0.5202	0.5185	-1.65
USDSGD	1.3565	0.08	1.3575	1.3542	-0.48
EURSGD	1.5222	-0.32	1.5264	1.5222	-2.55
GBPSGD	1.7695	-1.01	1.7911	1.7687	1.87
AUDSGD	0.9598	-0.05	0.9625	0.9589	-0.05

Source: Bloomberg

MYR

- **MYR closed 0.16% weaker at 4.0795** on sustained USD strength due to safe haven demand.
- **We maintain MYR bearishness** over the short term however as previously mentioned, the speed would likely be slower around current area as we approach a slew of moving averages acting as short term resistances.

USD

- **USD index closed higher 0.25% to 97.208** on generally stronger USD due to safe haven demand.
- **We maintain USD bullishness** as global growth fears are growing and a realization that a US-China trade war resolution is still pretty far away.

EUR

- **EUR lost 0.20% to 1.1221 against USD** on sustained USD strength.
- **EURUSD is expected to be sideways to slightly bearish** as we may see a technical rebound to the 1.1265 area before resuming the downtrend.

GBP

- **GBP closed lower by 1.10% to 1.3044** after lawmakers once again could not agree on an alternative Brexit plan even though with PM May's assurance that she would be resigning once plans are in motion.
- **We maintain bearish view on GBPUSD** on technical and fundamental reasons over the medium term.

JPY

- **JPY weakened 0.11% to 110.63** as UST yields recovered slightly and as a result of a generally stronger USD.
- **We turn neutral on JPY** as seasonality factors have ended and we are approaching the Ichimoku cloud support which would likely hold unless equities and risk sentiment take another dive.

AUD

- **AUD closed 0.14% weaker against the USD at 0.7074** after trying to retrace the previous day fall but was capped by the short term moving average.
- **We remain neutral on AUD** as AUDUSD is still sitting around the mid of the daily Bollinger and it looks to be consolidating.

SGD

- **SGD closed weaker 0.08% at 1.3565 against USD** in line with broader USD strength.
- **We maintain bearishness on SGD** as the technical picture still supports our view.

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