

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **US stocks rose rebounded overnight in a quiet trading session amidst a lack of economic data and fresh development at the US-China trade front.** Major indexes all finished higher, supported by broad-based increase of shares in nearly all sectors - the Dow Jones added 258pts or 1%, the S&P 500 rose by 0.7% while NASDAQ picked up 0.4%. **A closely watched part of the yield curve remained inverted where the yield on benchmark 10Y UST notes finished 2bps lower than the yield on 2Y UST notes.** Gold price slipped by 0.3% whereas crude oils gained around 1.6-1.7% on the drop in US crude supplies. **The Trump Administration made it official to impose the extra 5% tariffs on \$300b Chinese goods** ranging from footwear, to smartphones and computers starting 1 September and 15 December. **In the UK, in what appears to be a bid to force MPs' hands to pass his Brexit deal, PM Boris Johnson cut short lawmakers' time to debate his proposed Brexit plan by announcing that he had asked the Queen to suspend the Parliament** just days after MPs return from a recess in September and only a few weeks before the 31 Oct deadline, sending the pound sliding.
- **Data release is limited to US mortgage applications number.** Mortgage applications in the US slipped for the second week by 6.2% for the week ended 23 August, marking its largest drop since mid-Apr this year, following a surge earlier this month.
- **The dollar index closed higher by 0.22% to 98.21** in very quiet trading as there were little in the way of economic data or headlines. The dollar rose against all its G10 counterparts and nearly all of the major currencies. **We remain bearish USD for the foreseeable future** over nagging trade concerns until at least a more solid solution to current trade disputes are announced.
- **MYR closed weaker by 0.20% at 4.2135** as USD demand dominates local trading due to month end requirements. **We remain bullish USDMYR over the short term** as US-China trade issues continues to plague the region. **We remain bearish USDMYR over the medium term** as continued trade worries might trigger a Fed rate cut.
- **SGD closed marginally stronger by 0.04% against the USD** in a very subdued trading session. **We remain bearish SGD over the short and medium terms** as risk sentiment remains poor and risk assets continue to be driven by on headlines.

#### Eco Overnight Economic Data

US



#### What's Coming Up Next

##### Major Data

- US GDP, Advance Goods Trade Balance, Wholesale Inventories, Pending Home Sales
- Eurozone Economic Sentiment Indicator
- New Zealand ANZ Business Confidence
- Vietnam Key Economic Data

##### Major Events

- Nil

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1050	1.1070	1.1086	1.1100	1.1130	↗
GBPUSD	1.2120	1.2170	1.2216	1.2270	1.2330	↘
USDJPY	105.40	105.70	106.00	106.30	106.60	↘
AUDUSD	0.6700	0.6725	0.6743	0.6775	0.6800	↘
EURGBP	0.9025	0.9050	0.9075	0.9100	0.9125	↗
USDMYR	4.2050	4.2100	4.2150	4.2200	4.2250	↗
EURMYR	4.6400	4.6500	4.6727	4.6800	4.7000	↗
JPYMYR	3.9500	3.9600	3.9775	4.0000	4.0150	↗
GBPMYR	5.1100	5.1300	5.1490	5.1700	5.1850	↘
SGDMYR	3.0300	3.0325	3.0360	3.0375	3.0400	↗
AUDMYR	2.8200	2.8300	2.8422	2.8600	2.8700	↘
NZDMYR	2.6500	2.6600	2.6719	2.6800	2.6900	↘
USDSGD	1.3840	1.3870	1.3885	1.3910	1.3940	↗
EURSGD	1.5340	1.5370	1.5396	1.5430	1.5460	↗
GBPSGD	1.6750	1.6900	1.6965	1.7150	1.7250	↘
AUDSGD	0.9310	0.9340	0.9363	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	1,589.82	-0.06	-5.96	CRB Index	171.20	0.88	0.82
Dow Jones Ind.	26,036.10	1.00	11.61	WTI oil (\$/bbl)	55.78	1.55	22.84
S&P 500	2,887.94	0.65	15.20	Brent oil (\$/bbl)	60.49	1.65	12.43
FTSE 100	7,114.71	0.35	5.75	Gold (S/oz)	1,539.01	-0.25	20.03
Shanghai	2,893.76	-0.29	16.03	CPO (RM/tonne)*	2,155.50	-1.87	10.40
Hang Seng	25,615.48	-0.19	-0.89	Copper (\$/tonne)	5,690.00	0.12	-4.61
STI	3,056.47	-0.36	-0.40	Rubber (sen/kg)	436.00	0.58	15.04

Source: Bloomberg

**Economic Data**

	For	Actual	Last	Survey
US MBA Mortgage Applications	23 Aug	-6.2%	-0.9%	--

Source: Bloomberg

**Macroeconomic**

- **US mortgage applications dropped by most since mid-Apr:** Mortgage applications in the US slipped for the second week by 6.2% for the week ended 23 August (previous: -0.9%). The drop was the index's largest since mid-Apr this year, following a surge earlier this month when lower interest rates prompted homeowners to refinance their houses. The latest decline was a result of lower applications from both purchases (-4.0% vs -3.5%) and refinancing segments (-7.6% vs +0.4%) as borrowing costs got slightly higher last week, tracking higher treasuries yields. The average interest rate for a 30Y fixed-rate mortgage loan rose to 3.94% (previous: 3.9%) but was still way below the 4.78% recorded a year ago.

**Economic Calendar**

Date	Country	Events	Reporting Period	Survey	Prior	Revised
29/08	US	GDP Annualized QOQ	2Q S	2.0%	2.1%	--
		Advance Goods Trade Balance	Jul	-\$74.4b	-\$74.2b	-\$74.2b
		Wholesale Inventories MOM	Jul P	0.2%	0.0%	--
		Pending Home Sales MOM	Jul	0.0%	2.8%	--
30/08		Personal Income	Jul	0.3%	0.4%	--
		Personal Spending	Jul	0.5%	0.3%	--
		Core PCE YOY	Jul	1.6%	1.6%	--
		MNI Chicago PMI	Aug	47.5	44.4	--
		U. of Mich. Sentiment	Aug F	92.3	92.1	--
29/08	Eurozone	Economic Confidence	Aug	102.3	102.7	--
		Consumer Confidence	Aug F	-7.3	-7.4	--
30/08		Unemployment Rate	Jul	7.5%	7.5%	--
		CPI Core YOY	Aug A	1.0%	0.9%	--
		CPI Estimate YOY	Aug	1.0%	1.1%	--
30/08	UK	GfK Consumer Confidence	Aug	-12.0	-11.0	--
		Nationwide House Price Index		0.7%	0.3%	--
30/08	Japan	Jobless Rate	Jul	2.3%	2.3%	--
		Retail Sales YOY	Jul	-0.6%	0.5%	--
		Industrial Production YOY	Jul P	0.3%	-3.3%	--
30/08	Hong Kong	Retail Sales Value YOY	Jul	-12.5%	-6.7%	--
29/08	NZ	ANZ Business Confidence	Aug	--	-44.3	--
30/08		ANZ Consumer Confidence Index	Aug	--	116.4	--
29/08	Vietnam	Industrial Production YOY	Aug	--	9.7%	--
		Retail Sales YTD YOY	Aug	--	11.6%	--
		CPI YOY	Aug	2.4%	2.4%	--
		Exports YOY	Aug	7.0%	9.3%	--
		Trade Balance	Aug	\$750m	\$200m	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1078	-0.11	1.1098	1.1073	-3.33
GBPUSD	1.2212	-0.63	1.2293	1.2157	-4.20
USDJPY	106.12	0.35	106.23	105.65	-3.33
AUDUSD	0.6734	-0.27	0.6762	0.6733	-4.43
EURGBP	0.9071	0.52	0.9123	0.9023	0.92
USDMYR	4.2135	0.20	4.2140	4.2040	1.94
EURMYR	4.6734	0.06	4.6751	4.6623	-1.14
JPYMYR	3.9833	0.16	3.9855	3.9720	6.00
GBPMYR	5.1364	-0.37	5.1741	5.1211	-2.49
SGDMYR	3.0325	0.13	3.0335	3.0260	-0.11
AUDMYR	2.8412	0.04	2.8448	2.8335	-2.80
NZDMYR	2.6721	-0.29	2.6772	2.6641	-3.84
CHFMYR	4.2922	0.00	4.2933	4.2821	2.21
CNYMYR	0.5880	0.19	0.5885	0.5872	-2.85
HKDMYR	0.5369	0.13	0.5370	0.5358	1.65
USDSGD	1.3888	-0.04	1.3896	1.3879	-1.89
EURSGD	1.5383	-0.17	1.5417	1.5373	-1.52
GBPSGD	1.6959	-0.68	1.7078	1.6889	-2.40
AUDSGD	0.9354	-0.25	0.9388	0.9350	-2.61

Source: Bloomberg

## Forex

### MYR

- **MYR closed weaker by 0.20% at 4.2135** as USD demand dominates local trading due to month end requirements.
- **We remain bullish USDMYR over the short term** as US-China trade issues continues to plague the region. **We remain bearish USDMYR over the medium term** as continued trade worries might trigger a Fed rate cut.

### USD

- **The dollar index closed higher by 0.16% to 98.189** in very quiet trading as there were little in the way of economic data or headlines.
- **We remain bearish USD for the foreseeable future** over nagging trade concerns until at least a more solid solution to current trade disputes are announced.

### EUR

- **EUR closed lower by 0.11% against the USD at 1.1078** over a generally stronger USD in quiet trading.
- **We remain bullish EUR over the short term** over unresolved trade issues. **We remain bearish EUR over the medium term** over the highly anticipated ECB stimulus.

### GBP

- **GBP closed 0.63% weaker at 1.2212** on PM Johnson's move to suspend Parliament in a bid to force through his agenda.
- **We turn bearish GBP for the foreseeable future** as PM Johnson's move escalates the risk of a no-deal Brexit. Rumours of a no-confidence vote brewing also heightens the risk of this issue being dragged without any solution.

### JPY

- **JPY finished 0.35% weaker at 106.12** as US equities rallied on better earnings releases.
- **We remain bullish JPY** as risk sentiment seems to be yo-yoing over an uneasy trade truce for the moment.

### AUD

- **AUD closed weaker by 0.27% against the USD at 0.6734** on a broadly stronger USD.
- **We remain bearish AUD** as risk sentiment seems to be swinging over an uneasy trade truce and lower commodity prices due to slower global growth outlook.

### SGD

- **SGD closed marginally stronger by 0.04% against the USD** in a very subdued trading session.
- **We remain bearish SGD over the short and medium terms** as risk sentiment remains poor and risk assets continue to be driven by on headlines.

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