

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **Global stocks slipped on Thursday amidst heightening US-China political uncertainty that dwarfed the recent optimism surrounding a potential mini trade deal.** President Trump signed the controversial Hong Kong Humans Rights and Democracy Act that would require the US to annually assess Hong Kong's autonomous status and ticked off Beijing which strongly upholds the "one-country, two systems" policy unique in the post British colonial China-Hong Kong relation. US markets were closed for Thanksgiving holiday. Taking cue from the slide in Asian main markets from the Shanghai Composite Index to Hang Seng and NIKKEI 225, the key pan-European benchmark STOXX Europe 600 slipped 0.2% while other key European indexes namely German DAX, France CAC 40 and UK FTSE 100 all ended in the reds. Gold recovered modestly and JPY edged up a little. Dollar weakened in general amidst lighter trading. Brent crude lost 0.3% to \$63.87/barrel. **US stocks are set to re-open on Friday and futures point to lower openings, but volumes are likely to be thin. Asian stocks are expected to gain on the last trading day of November.**
- **On the data bag, there were some improvement in sentiments in the Eurozone as well as New Zealand but consumer confidence in the UK stayed at its lowest level this year** amid badly bruised by Brexit and political uncertainties. House prices ticked higher but remained mediocre nonetheless reaffirming a soft housing market in the UK. **Japan fundamentals remained weak** with declines seen in both production and retail sales even though the labour market held steady.
- Dollar strengthened against most of its major peers amidst thinner trading on Thanksgiving holiday. **We are neutral to slightly bullish on USD** on the back of renewed uncertainty surrounding US-China politics and mini trade deal in-the-making. **Medium term outlook remains bullish**, expecting the USD to strengthen as the Fed kept rate unchanged in December, not to mention that a (potential) trade war escalation would keep the greenback supported.
- **MYR weakened slightly by 0.05% to finish at 4.1735** against the USD alongside majority of its weaker Asian peers on a dollar holiday. **MYR is neutral to slightly bearish today** over the renewed US-China political uncertainty triggered by Trump's signing of the HK bill that could jeopardise progress in the mini trade deal, but movement is likely limited ahead of the weekend. **Medium term MYR outlook remains bearish**, expecting the USD to strengthen as the Fed kept rate unchanged in December, supported by better 4Q US data.
- **SGD closed 0.05% softer against the USD at 1.3659** alongside majority of its weaker Asian peers. **We are neutral to slightly bearish on SGD today** similarly over the renewed US-China political uncertainty. **Medium term outlook is still bearish**, expecting the USD to strengthen as the Fed kept rate unchanged in December, supported by better 4Q US data.

#### Overnight Economic Data

Eurozone	↑
UK	→
Japan	↓
New Zealand	→

#### What's Coming Up Next

##### Major Data

- Eurozone Unemployment Rate, HICP
- UK Mortgage Approvals
- Vietnam CPI, Exports, Industrial Production, Retail Sales

##### Major Events

- Nil

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1080	1.1000	1.1009	1.1020	1.1050	→
GBPUSD	1.2850	1.2900	1.2908	1.2950	1.3000	→
USDJPY	109.00	109.30	109.59	109.65	109.80	↘
AUDUSD	0.6725	0.6750	0.6769	0.6780	0.6800	→
EURGBP	0.8490	0.8500	0.8529	0.8550	0.8585	→
USDMYR	4.1650	4.1700	4.1718	4.1800	4.1850	→
EURMYR	4.5800	4.5900	4.5927	4.6000	4.6100	→
JPYMYR	3.8000	3.8050	3.8068	3.8200	3.8340	↗
GBPMYR	5.3650	5.3793	5.3850	5.4000	5.4150	↘
SGDMYR	3.0450	3.0500	3.0541	3.0550	3.0600	→
AUDMYR	2.8150	2.8200	2.8242	2.8300	2.8370	→
NZDMYR	2.6670	2.6737	2.6782	2.6840	2.6915	→
USDSGD	1.3625	1.3635	1.3660	1.3665	1.3675	→
EURSGD	1.5000	1.5020	1.5038	1.5050	1.5080	→
GBPSGD	1.7550	1.7600	1.7633	1.7700	1.7750	→
AUDSGD	0.9200	0.9230	0.9247	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	1,583.77	-0.21	-6.32	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)	63.87	-0.30	18.72
FTSE 100	7,416.43	-0.18	10.23	Gold (\$/oz)	1,456.27	0.13	13.54
Shanghai	2,889.69	-0.47	15.87	CPO (RM/tonne)	2,604.00	-0.23	33.37
Hang Seng	26,893.73	-0.22	4.05	Copper (\$/tonne)	5,892.00	-0.89	-1.22
STI	3,200.61	-0.46	4.30	Rubber (sen/kg)	449.50	0.67	18.60

\*Last price on 27 Nov, Wed

Source: Bloomberg

## ➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
EU Economic Confidence	Nov	101.3	100.8	101.0
EU Consumer Confidence	Nov F	-7.2	-7.6	--
UK Nationwide House Px NSA YOY	Nov	0.8%	0.4%	0.2%
UK GfK Consumer Confidence	Nov	-14	-14	-14
JP Retail Sales YOY	Oct	-7.1%	9.2%	-3.8%
JP Jobless Rate	Oct	2.4%	2.4%	2.4%
JP Job-To-Applicant Ratio	Oct	1.57	1.57	1.56
JP Industrial Production YOY	Oct P	-7.4%	1.3%	-5.2%
NZ ANZ Business Confidence	Nov	-26.4	-42.4	--
NZ ANZ Consumer Confidence Index	Nov	120.7	118.4	--

Source: Bloomberg

- Improvement in Eurozone sentiment:** Eurozone sentiment picked up in November as the European Commission headline Economic Sentiment Indicator (ESI) rose to 101.3 (Oct: 100.8), beating expectation of 101.0. The positive print reflected slight to modest increases in confidence among consumers (+0.4pts to -7.2), retail trade managers (+0.7pts), industry (+0.3pts) and services (+0.3).
- UK consumer confidence battered by Brexit:** The GfK Consumer Confidence Index remained unchanged at -14 in November (Oct: -14), its lowest level of the year suggesting that consumer confidence remained battered by Brexit and political turbulence heading into December ballot. While consumers' view of economic situation for the next 12 months improved (but still at negative), the climate for major purchases continued to slip, indicating cautious sentiment.
- UK house prices picked up at faster pace in November:** The Nationwide House Price Index picked up 0.5% MOM in November (Oct: +0.2%), marking its fastest MOM increase in more than a year. Compared to the same month last year, house prices rose 0.8% (Oct: +0.4%), the strongest gain in eight months but was nonetheless a sub-1% growth, not a convincing gain compared to the 2.0% average growth recorded in 2018.
- Sales tax hike hit Japan October retail sales:** The recently effective sales tax hikes in Japan dealt a worse than expected blow to Japanese retailers as retail sales plunged by a whopping 14.4% MOM in October (Sep: +7.2% revised). YOY, retail sales contracted by 7.1% (Sep: +9.2% revised), larger than the immediate declines recorded since the last separate hike in April 2014 and October 2015.
- Japan jobless rate unchanged but flashed cooling signs in labour market:** Japan jobless rate stayed at 2.4% in October (Sep: 2.4%) after rising from 27-year low of 2.2% in August. The job-to-applicant ratio was unchanged at 1.57 but appears to be trending lower. Compared to the same month last year, job offers and new job offers recorded larger decreases, signaling a cooling labour market.
- Japan industrial production plunged in October:** Preliminary reading shows that Japan industrial production slipped by 4.2% in October (Sep: +1.7%), leaving output to tumble by 7.1% YOY (Sep: +9.2%), its sharpest fall in more than six years as typhoon caused a temporary disruption to the Japanese factory activity alongside weaker global demand.
- Rebound in New Zealand business confidence, further rise in consumer confidence:** New Zealand business confidence saw substantial improvement as the ANZ headline Business Confidence Index rebounded from October's trough to -26.4 in November (Oct: -42.4), driven by broad-based improvement across most indicators, notably in activity outlook, investment and employment. The interest rates indicator jumped by 16pts albeit remaining negative to suggest that the RBNZ's looser monetary policy had begun to feed through the economy. The ANZ Consumer Confidence Index meanwhile rose to 120.7 in November (Oct: 118.4) driven by both the current and future conditions indexes that were spurred by increased confidence over economic outlook. ANZ said that the ANZ composite gauge is consistent with view that headwinds facing the economy are real, but growth should bottom out around the 2% mark.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
02/12	Malaysia	Markit Malaysia PMI Mfg	Nov	--	49.3	--
02/12	US	Markit US Manufacturing PMI	Nov F	52.2	52.2	--
		ISM Manufacturing	Nov	49.5	48.3	--
		Construction Spending MOM	Oct	0.4%	0.5%	--
<b>29/11</b>	<b>Eurozone</b>	<b>Unemployment Rate</b>	<b>Oct</b>	<b>7.5%</b>	<b>7.5%</b>	--
		<b>CPI Estimate YOY</b>	<b>Nov</b>	<b>0.9%</b>	<b>0.7%</b>	--
		<b>CPI Core YOY</b>	<b>Nov P</b>	<b>1.2%</b>	<b>1.1%</b>	--
02/12		Markit Eurozone Manufacturing PMI	Nov F	46.6	46.6	--
<b>29/11</b>	<b>UK</b>	<b>Mortgage Approvals</b>	<b>Oct</b>	<b>65.4k</b>	<b>65.9k</b>	--
02/12		Markit UK PMI Manufacturing SA	Nov F	48.3	48.3	--
02/12	Japan	Jibun Bank Japan PMI Mfg	Nov F	--	48.6	--
30/11	China	Manufacturing PMI	Nov	49.5	49.3	
		Non-manufacturing PMI	Nov	53.1	52.8	
02/12		Caixin China PMI Mfg	Nov	51.5	51.7	--
02/12	Hong Kong	Retail Sales Value YOY	Oct	-23.7%	-18.3%	--
02/12	Australia	AiG Perf of Mfg Index	Nov	--	51.6	--
<b>29/11</b>	<b>Vietnam</b>	<b>CPI YOY</b>	<b>Nov</b>	<b>2.9%</b>	<b>2.2%</b>	--
		<b>Exports YOY</b>	<b>Nov</b>	<b>7.3%</b>	<b>-0.8%</b>	--
		<b>Industrial Production YOY</b>	<b>Nov</b>	<b>--</b>	<b>9.2%</b>	--
		<b>Retail Sales YTD YOY</b>	<b>Nov</b>	<b>--</b>	<b>11.8%</b>	--
02/12		Markit Vietnam PMI Mfg	Nov	--	50.0	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1009	0.09	1.1018	1.0999	-3.96
GBPUSD	1.2912	-0.07	1.2951	1.2899	1.25
USDJPY	109.51	-0.03	109.57	109.33	-0.16
AUDUSD	0.6770	-0.09	0.6778	0.6759	-3.97
EURGBP	0.8528	0.17	0.8532	0.8500	-5.14
USDMYR	4.1735	0.05	4.1770	4.1695	0.96
EURMYR	4.5964	0.09	4.5986	4.5896	-2.77
JPYMYR	3.8127	-0.26	3.8170	3.8082	1.46
GBPMYR	5.3981	0.66	5.4044	5.3924	2.48
SGDMYR	3.0544	0.00	3.0559	3.0527	0.61
AUDMYR	2.8233	-0.23	2.8269	2.8212	-3.41
NZDMYR	2.6811	-0.06	2.6838	2.6775	-3.51
CHFMYR	4.1777	-0.12	4.1811	4.1716	-0.51
CNYMYR	0.5933	-0.13	0.5938	0.5932	-1.96
HKDMYR	0.5331	0.00	0.5332	0.5325	0.93
USDSGD	1.3659	0.05	1.3665	1.3649	0.21
EURSGD	1.5036	0.13	1.5051	1.5014	-3.76
GBPSGD	1.7636	-0.03	1.7691	1.7621	1.46
AUDSGD	0.9247	-0.04	0.9254	0.9233	-3.76

Source: Bloomberg

## Forex

### MYR

- **MYR weakened slightly by 0.05% to finish at 4.1735** against the USD alongside majority of its weaker Asian peers on a dollar holiday.
- **MYR is neutral to slightly bearish today** over the renewed US-China political uncertainty triggered by Trump's signing of the HK bill that could jeopardise progress in the mini trade deal, but movement is likely limited ahead of the weekend. **Medium term MYR outlook remains bearish**, expecting the USD to strengthen as the Fed kept rate unchanged in December, supported by better 4Q US data.

### USD

- Dollar strengthened against most of its major peers amidst thinner trading on Thanksgiving holiday.
- **We are neutral to slightly bullish on USD** on the back of renewed uncertainty surrounding US-China politics and mini trade deal in-the-making. **Medium term outlook remains bullish**, expecting the USD to strengthen as the Fed kept rate unchanged in December, supported by better 4Q US data, not to mention that a (potential) trade war escalation would keep the greenback supported.

### EUR

- **EURUSD rose by 0.09% against the USD at 1.1009** amidst light trading.
- **EUR is neutral to slightly bullish as it broke above the 1.10 handle in the** Asian morning to open up more upside chances but movement is potentially kept as investors await more US-China related news. **Medium term outlook is still bearish**, weighed down by weaker growth outlook and the ECB's plan for looser monetary policy.

### GBP

- **GBP came off intraday high to finish 0.07% lower at 1.2912** against the USD amidst profit taking as confidence of a Tories majority gained strength.
- **We are neutral on GBP today** expecting markets to consolidate around the 1.2900 handle. **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 firmed up only slightly by 0.03% against the USD at 109.51** amidst thin trading despite retreating risk sentiment.
- **JPY is down against the dollar as of writing** but could find demand as investors seek refuge amidst fresh US-China concerns. Daily outlook neutral to bullish awaiting development and medium term outlook bullish over Hong Kong unrests, lingering Brexit and trade uncertainties.

### AUD

- **AUD lost 0.09% against the USD at 0.6770 amidst lighter trading marked by fresh concerns over US-China relation.**
- **AUD is neutral to slightly bearish today** on rising uncertainties while markets await more developments. **Short term outlook is bullish** as the RBA expected to keep cash rate steady next week. We look towards the RBA statement to gauge medium term outlook.

### SGD

- **SGD closed 0.05% softer against the USD at 1.3659** alongside majority of its weaker Asian peers.
- **We are neutral to slightly bearish on SGD today** similarly over the renewed US-China political uncertainty. **Medium term outlook is still bearish**, expecting the USD to strengthen as the Fed kept rate unchanged in December, supported by better 4Q US data.

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