

Global Markets Research

Daily Market Highlights

Key Takeaways

- **US stocks finished higher on Monday with the S&P 500 and NASDAQ again notching record highs**, after data showed that **consumer spending rose by the fastest pace in more than nine and half years and inflation remained benign**, affirming views that the US economy is on firm footing and that the Federal Reserve will leave rate unchanged on Wednesday. **Optimism over a US-China trade deal also provided some support for stocks** as Treasury Secretary Steven Mnuchin expressed hope that the latest round of negotiations might soon result in a deal. The Dow rose 0.04% (+11.06pts), S&P500 gained 0.11% (+3.15pts) and NASDAQ was up by 0.19% (+15.46pts). Bonds weakened, leading yield to rise 1-3bps across the curve. 10Y UST yield rose 3bps to 2.53%. Earlier, European stocks closed mostly higher while Asian key benchmarks ended mixed. Crude oil benchmarks diverged as WTI gained 0.32% to \$63.50/barrel while Brent fell 0.15% to \$72.04/barrel.
- **US personal spending spiked 0.9% MOM in March as consumers returned to splurge on big ticket items**. Personal income rose at a milder pace of 0.1% MOM. **Core PCE price index, the Fed's preferred measure of inflation eased to 1.6% YOY**. The Dallas Fed Manufacturing Outlook Survey reported that its General Business Activity index fell to 2.0 in April to suggest a slower manufacturing activity in Texas. **The European Commission Economic Sentiment Indicator fell for the tenth running month** by 1.6pts to 104.0 in April. The GfK Consumer Confidence was unchanged at -13.0 in April (Mar: -13) for the third month while interestingly, the Lloyds Business Barometer rose to 14 in April. Vietnam data bag indicate that the economy continued to remain on solid footing.
- **The Dollar index closed 0.15% lower at 97.857 after hovering above 98.0 for three sessions, led by stronger EURUSD**. Dollar index breaking below the 98.0 support level suggests the dollar is losing steam in the immediate term but is likely temporary as FOMC, job data and ISM index are in the pipeline this week. **We maintain USD bullishness** in the medium term as investors remain concerned over the health of the global economy which may act as a support for USD.
- **MYR closed 0.04% weaker at 4.1335 in a neutral session. The lack of catalysts and upcoming FOMC meeting** suggest USDMYR is likely trading within a neutral range of 4.1300-4.1350 with a slightly bearish outlook taking cue from the overnight weakening of the dollar index.
- **SGD closed 0.03% stronger at 1.3616 against USD. We maintain bearish SGD** as investor focus is now on global economy health which isn't perceived to be doing as well as expected which should drag on SGD with technical also suggesting a weaker SGD going forward.

Overnight Economic Data

US	➔
Eurozone	➔
UK	➔
Vietnam	➔

What's Coming Up Next

Major Data

- US Employment Cost Index, S&P CoreLogic CS 20-City, MNI Chicago PMI, Pending Home Sales, Conf. Board Consumer Confidence
- Eurozone Unemployment Rate, 1Q GDP
- China Non-manufacturing PMI, Manufacturing PMI
- New Zealand ANZ Business Confidence

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1100	1.1150	1.1186	1.1208	1.1230	➔
GBPUSD	1.2800	1.2850	1.2935	1.2950	1.3000	➔
USDJPY	111.00	111.40	111.61	111.75	112.00	➔
AUDUSD	0.6950	0.7000	0.7044	0.7060	0.7100	➔
EURGBP	0.8570	0.8600	0.8647	0.8675	0.8700	➔
USDMYR	4.1250	4.1300	4.1335	4.1350	4.1400	➔
EURMYR	4.5800	4.6000	4.6215	4.6280	4.6400	➔
JPYMYR	3.6620	3.6800	3.7046	3.7100	3.7200	➔
GBPMYR	5.2800	5.3100	5.3474	5.3500	5.3700	➔
SGDMYR	3.0290	3.0310	3.0333	3.0380	3.0400	➔
AUDMYR	2.9000	2.9070	2.9102	2.9200	2.9250	➔
NZDMYR	2.7450	2.7490	2.7536	2.7600	2.7700	➔
USDSGD	1.3550	1.3600	1.3622	1.3655	1.3700	➔
EURSGD	1.5150	1.5200	1.5234	1.5250	1.5300	➔
GBPSGD	1.7450	1.7560	1.7614	1.7875	1.7975	➔
AUDSGD	0.9450	0.9500	0.9593	0.9650	0.9700	➔

* 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	1,637.40	-0.06	-3.15	CRB Index	184.18	-0.26	8.47
Dow Jones Ind.	26,554.39	0.04	13.83	WTI oil (\$/bbl)	63.50	0.32	39.84
S&P 500	2,943.03	0.11	17.40	Brent oil (\$/bbl)	72.04	-0.15	33.90
FTSE 100	7,440.66	0.17	10.59	Gold (S/oz)	1,279.90	-0.49	-0.17
Shanghai	3,062.50	-0.77	22.80	CPO (RM/tonne)	1,990.50	-2.09	1.95
Hang Seng	29,892.81	0.97	15.66	Copper (\$/tonne)	6,396.00	-0.06	7.23
STI	3,407.02	1.49	11.02	Rubber (sen/kg)	486.50	-0.10	28.36

Source: Bloomberg

Economic Data

	For	Actual	Last	Survey
US Personal Income	Mar	0.1%	0.2%	0.4%
US Personal Spending	Mar	0.9%	0.1%	0.7%
US Core PCE YOY	Mar	1.6%	1.7%	1.7%
US Dallas Fed Manf. Activity	Apr	2.0	(revised) 6.9	--
EU Economic Confidence	Apr	104.0	(revised) 105.6	--
EU Consumer Confidence	Apr F	-7.9	-7.2	--
UK GfK Consumer Confidence	Apr	-13	-13	-13
UK Lloyds Business Barometer	Apr	14	10	--
VN Industrial Production YOY	Apr	9.3%	9.1%	--
VN Retail Sales YTD YOY	Apr	11.9%	12.0%	--
VN CPI YOY	Apr	2.3%	2.7%	2.8%
VN Exports YOY	Apr	7.5%	5.4%	--
VN Trade Balance	Apr	-\$700m	\$600m	--

Source: Bloomberg

➤ Macroeconomics

- US consumer spending spiked; inflation stayed muted:** Personal spending or personal consumption expenditure (PCE) spiked 0.9% MOM in March (Feb: +0.1%), the fastest pace recorded since August 2009, as consumers splurged on big ticket items. Spending on durable goods rebounded to gain 2.3% MOM (Feb: -1.1%), its first increase in three months while spending on nondurable goods also picked up by 1.4% MOM (Feb: -0.2%). Spending on services meanwhile rose 0.5% MOM (Feb: +0.4%), the strongest in five months. March's upturn marked the return of US consumers who appeared to have held back on spending for the past couples of months even during the festive season. Personal income meanwhile saw a milder increase, clocking in at a slower 0.1% MOM in the same month (Feb: +0.2%). Inflation however remained tepid in the economy as the core PCE price index, the Federal Reserve's preferred measure of inflation was unchanged MOM and rose a mere 1.5% YOY in March (Feb: +1.7%), its slowest since Sep-17, offering reassurance that the Fed will keep fed funds rate unchanged in this week's FOMC meeting. Separately, the Dallas Fed Manufacturing Outlook Survey reported that its General Business Activity index fell to 2.0 in April (Mar: 6.9) to suggest a slower manufacturing activity in Texas.
- Eurozone economic sentiment dampened further:** The European Commission Economic Sentiment Indicator fell for the tenth running months by 1.6pts to 104.0 in April (Mar: 105.6 revised), signaling a notable decrease in sentiment in the euro area which suggests that the region may still face troubles in boosting growth. The deterioration was driven mainly by the lower confidence in industry, retail trade, construction and among consumers with the consumer confidence falling back to -7.9 in April (Mar: -7.2) after picking up for two straight months. Sentiment in the services sector was unchanged.
- UK consumers stayed gloomy, but business sentiments improved:** The GfK Consumer Confidence was unchanged at -13.0 in April (Mar: -13) for the third month as UK consumers remained pessimistic over personal finances and economic situation in the next 12 months with the intentions to make major purchases as well as to save money also weakening. Interestingly, the Lloyds Business Barometer meanwhile rose to 14 in April (Mar: 10) as firms raised their expectations over business activity for the next 12 months and turned more optimistic over current economic condition.
- Vietnam data suggest solid economic growth:** Industrial production rose a solid 9.3% YOY in April (Mar: +9.1%) on the back of steady manufacturing output and a rebound in mining and quarrying. Exports growth quickened to 7.5% YOY (Mar: +5.4%), the fastest since Nov last year driven mainly by the surge in crude oil exports (+33.9% vs -0.6%) and chemicals, phones as well as electric wires & cables. Imports jumped 17.6% YOY (Mar: +14.7%). MOM, exports fell 11.1% (Feb: +53.4%) and imports dropped by a smaller margin of 5.5% (Feb: +40.6%) leaving the trade surplus to swing to a deficit of \$700m (Feb: \$600m). Meanwhile, retail sales also saw reasonably steady increases recording an 11.9% growth YTD YOY (Mar: +12.0%). Consumer prices accelerated as CPI rose 2.93% YOY (Mar: +2.7%), the fastest since Dec last year, while core CPI also picked up by 1.88% (Mar: +1.84%). Overall Vietnam data bag indicate that the economy continued to remain on solid footing.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
30/04	US	Employment Cost Index	1Q	0.7%	0.7%	--
		S&P CoreLogic CS 20-City YOY NSA	Feb	2.95%	3.58%	--
		MNI Chicago PMI	Apr	58.5	58.7	--
		Pending Home Sales MOM	Mar	1.5%	-1.0%	--
		Conf. Board Consumer Confidence	Apr	126.8	124.1	--
01/05		MBA Mortgage Applications	26 Apr	--	-7.3%	--
		ADP Employment Change	Apr	180k	129k	--
		Markit US Manufacturing PMI	Apr F	52.4	52.4	--
		ISM Manufacturing	Apr	55.0	55.3	--
		Construction Spending MOM	Mar	0.0%	1.0%	--
30/04	Eurozone	Unemployment Rate	Mar	7.8%	7.8%	--
		GDP SA QOQ	1Q A	0.3%	0.2%	--
01/05	UK	Mortgage Approvals	Mar	64.5k	64.3k	--
		Markit UK PMI Manufacturing SA	Apr	53.1	55.1	--
01/05	Japan	Nikkei Japan PMI Mfg	Apr F	--	49.5	--
30/04	China	Non-manufacturing PMI	Apr	54.9	54.8	--
		Manufacturing PMI	Apr	50.5	50.5	--
01/05	Australia	AiG Perf of Mfg Index	Apr	--	51.0	--
30/04	New Zealand	ANZ Business Confidence	Apr		-38.0	--
01/05		Unemployment Rate	1Q	4.3%	4.3%	
		Employment Change QOQ	1Q	0.5%	0.1%	--
		Pvt Wages Inc Overtime QOQ	1Q	0.5%	0.5%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1186	0.31	1.1187	1.1142	-2.47
GBPUSD	1.2937	0.16	1.2947	1.2905	1.40
USDJPY	111.65	0.06	111.90	111.55	1.81
AUDUSD	0.7056	0.20	0.7061	0.7035	0.11
EURGBP	0.8647	0.19	0.8651	0.8621	-3.79
USDMYR	4.1335	0.04	4.1355	4.1300	0.00
EURMYR	4.6141	0.27	4.6163	4.6039	-2.39
JPYMYR	3.6990	-0.08	3.7038	3.6972	-1.56
GBPMYR	5.3495	0.27	5.3507	5.3351	1.55
SGDMYR	3.0367	0.12	3.0374	3.0325	0.03
AUDMYR	2.9137	0.21	2.9169	2.9092	-0.32
NZDMYR	2.7551	0.20	2.7603	2.7536	-0.85
CHFMYR	4.0547	0.12	4.0565	4.0500	-3.44
CNYMYR	0.6140	0.06	0.6141	0.6134	1.45
HKDMYR	0.5269	0.02	0.5271	0.5264	-0.25
USDSGD	1.3616	-0.03	1.3629	1.3603	-0.11
EURSGD	1.5231	0.31	1.5231	1.5174	-2.56
GBPSGD	1.7613	0.12	1.7627	1.7584	1.29
AUDSGD	0.9607	0.19	0.9613	0.9583	0.01

Source: Bloomberg

Forex

MYR

- MYR closed **0.04% weaker** at 4.1335 in a neutral session.
- The **lack of catalysts and upcoming FOMC meeting** suggest USDMYR is likely trading within a neutral range of 4.1300-4.1350 with a slightly bearish outlook taking cue from the overnight weakening of the dollar index.

USD

- The Dollar index closed **0.15% lower** at 97.857 after hovering above 98.0 for three sessions, led by stronger EURUSD.
- Dollar index breaking below the 98.0 support level suggests the dollar is losing steam in the immediate term but is likely temporary as FOMC, job data and ISM index are in the pipeline this week. **We maintain USD bullishness** in the medium term as investors remain concerned over the health of the global economy which may act as a support for USD.

EUR

- EUR closed **0.31% higher** at 1.1186 against USD as investors were relieved at Spain's election outcome.
- EUR looks set to cross above the lower Bollinger band of 1.1189 today if GDP matches estimate to indicate a recovery of the Eurozone economy. However **we remain bearish on EUR** as forward indicators suggest still weak growth momentum which may drag down EUR in the medium term.

GBP

- GBP closed **0.16% higher** at 1.2937 on broader USD weakness and amidst relatively quiet market.
- **GBP remains bearish** in the short term with technicals still looking to target 1.2770. GBPUSD range is still relatively muted given the lack of Brexit headlines but is likely driven by BOE statements and its new growth and inflation projections this week.

JPY

- JPY closed **0.06% weaker** at 111.65 on higher UST yields and a weaker USD in general.
- **We remain neutral on JPY** as Japan entered its golden week holidays and will be referring to global data which may act as catalysts for any short term volatility.

AUD

- AUD closed higher by **0.20% at 0.7056 against the USD.**
- **We stay bullish on AUD** as it has continued to register small upside signals over the past 3 sessions in higher highs and higher lows. The pair might seem to be heading back to the 0.71 handle but is likely to reverse its course today as China official NBS PMI readings disappointed.

SGD

- SGD closed **0.03% stronger** at 1.3616 against USD.
- **We maintain bearish SGD** as investor focus is now on global economy health which isn't perceived to be doing as well as expected which should drag on SGD with technical also suggesting a weaker SGD going forward.

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