

20 February 2024

**Global Markets Research**
**Daily Market Highlights**

## 20 Feb: Wall Street was closed for President's Day

**Calm markets in Europe and Asia; CSI 300 jumped on upbeat travel data**

**Japan's core machinery orders rebounded; UK home prices rose for the second month**

**All eyes on RBA minutes and PBoC's monetary policy decision today**

- The US equity and bond markets were closed for President's Day.
- In Europe, Stoxx Eur 600 and FTSE 100 closed up slightly by 0.2% d/d each, off the back of largely positive sentiment last week. Cyclical technology stocks and miners underperformed for the former, while defensive stocks like healthcare and telecoms posted gains. On the British front, AstraZeneca was the top performing stock after its drug Tagrisso slowed progression in its trial, while Currys Plc rallied after JD.com Inc and activist investor Elliott Advisors said that they are considering possible cash offers for the electronics retailer. Banks will be in focus later this week with Barclays due to deliver its strategy update.
- In China, CSI rallied 1.2% d/d as traders returned from a long holiday to upbeat travel data. Accordingly, the Lunar New Year holidays saw Chinese travel and spending surpassing pre-Covid levels, a promising sign for the economy and consequently, tourism stocks led gains.
- Led by Norwegian bonds, 10Y European bond yields closed up between 0-5bps.
- DXY started the week flat on a calm Monday, closing slightly higher at 104.29 as investors digested the string of sticky inflationary data last week. Most G10s weakened against the USD save for the CAD, GBP and CHF while Asian currencies traded mixed against the greenback. Most of the currencies were thinly traded and closed within the +/-0.2% d/d band against the USD.
- In the oil market, Brent closed slightly higher by 0.1% d/d to \$83.56/barrel, in a push and pull of bearish and bullish factors, amid geopolitical risks and demand worries especially from China.

### UK home prices rose for the second month

- According to Rightmove, home sellers increased their asking prices for the second month by +0.9% m/m in February (Jan: +1.3% m/m), with price gains observed across all regions including London. The real estate portal also added that there is cautious optimism moving into 2024, with encouraging activity levels and signs of a more stable housing market. Prospective buyers who can afford to purchase properties have also acted fast, but remained price sensitive.

### Japan's core machinery orders rebounded on manufacturing

- Matching expectations, core machinery orders, an indicator of future capital spending rebounded to +2.7% m/m in December (Nov: -4.9% m/m), mainly driven by the manufacturing sector (+10.1% m/m vs -7.8% m/m) rather than non-manufacturing (-2.2% m/m vs -0.4% m/m). Specifically, sectors recording strong growths during the month includes chemical & chemical products; information & communication electronics, non-ferrous metals as well as

### Key Market Metrics

	Level	d/d (%)
<b>Equities</b>		
Dow Jones	38,627.99	-0.37
S&P 500	5,005.57	-0.48
NASDAQ	15,775.65	-0.82
Stoxx Eur 600	492.39	0.16
FTSE 100	7,728.50	0.22
Nikkei 225	38,470.38	-0.04
CSI 300	3,403.81	1.16
Hang Seng	16,155.61	-1.13
Straits Times	3,225.91	0.12
KLCI 30	1,538.61	0.33
<b>FX</b>		
Dollar Index	104.29	0.02
EUR/USD	1.0779	0.02
GBP/USD	1.2594	-0.06
USD/JPY	150.13	-0.05
AUD/USD	0.6540	0.14
USD/CNH	7.2114	-0.02
USD/MYR	4.7870	0.16
USD/SGD	1.3460	-0.08
<b>Commodities</b>		
WTI (\$/bbl)	79.19	1.49
Brent (\$/bbl)	83.56	0.11
Gold (\$/oz)	2,011.50	0.47
Copper (\$\$/MT)	8,434.50	-0.64
Aluminum(\$/MT)	2,197.00	-0.95
CPO (RM/tonne)	3,880.00	-2.51

Source: Bloomberg, HLBB Global Markets Research  
 \* Dated as of 16 Feb for CPO, Dow Jones Industrial Average, S&P 500, Nasdaq, WTI, Gold

fabricated metal products. Moving forward, orders is expected to rise by 4.6% q/q in 1Q of 2024 after contracting 1.0% q/q in 4Q of 2023, suggesting that sustained demand for Japan's exports is crucial to pull the economy out of recession this year.

### Thailand's 4Q GDP accelerated, albeit less than expected; 2024 growth forecast cut

- 4Q GDP accelerated less than expected to 1.7% y/y in 4Q (3Q: +1.4% y/y), bringing full year growth at +1.9% y/y (2022: +2.6%). Largely driving the uptick during the quarter was narrower contraction in government spending (-3.0% y/y vs -5.0% y/y), while the uptick in total exports (+4.9% y/y vs +1.1% y/y) was partially offset by stronger import growth (+4.0% y/y vs -9.4% y/y). Household spending slowed, but remained resilient at +7.4% y/y (3Q: +7.9% y/y), while private investment turned contractionary (-0.4% y/y vs +1.5% y/y). In tandem with the release, the National Economic and Social Development Council also cut its GDP forecast for 2024 to 2.2-3.2% (previous: 2.7-3.7%) and inflation forecast to 0.9%-1.9% (previous: 1.7-2.7%).

### House View and Forecasts

FX	This Week	1Q-24	2Q-24	3Q-24	4Q-24
DXY	102-106	101.84	101.33	100.82	100.32
EUR/USD	1.06-1.09	1.10	1.11	1.11	1.10
GBP/USD	1.24-1.28	1.28	1.29	1.29	1.27
USD/JPY	146-152	142	140	137	134
AUD/USD	0.64-0.67	0.68	0.68	0.69	0.70
USD/MYR	4.74-4.80	4.69	4.66	4.62	4.56
USD/SGD	1.33-1.36	1.33	1.32	1.31	1.30

Rates, %	Current	1Q-24	2Q-24	3Q-24	4Q-24
Fed	5.25-5.50	5.25-5.50	5.00-5.25	4.50-4.75	4.50-4.75
ECB	4.50	4.50	4.25	3.75	3.50
BOE	5.25	5.25	5.25	5.00	4.50
BOJ	-0.10	-0.10	-0.10	0.00	0.00
RBA	4.35	4.35	4.35	4.35	4.10
BNM	3.00	3.00	3.00	3.00	3.00

Source: HLBB Global Markets Research

### Up Next

Date	Events	Prior
20-Feb	AU RBA Minutes of Feb. Policy Meeting	
	CH 5-Year Loan Prime Rate	4.20%
	CH 1-Year Loan Prime Rate	3.45%
	MA Exports YoY (Jan)	-10.00%
	HK Unemployment Rate SA (Jan)	2.90%
	EC Construction Output MoM (Dec)	-1.00%
21-Feb	US Philadelphia Fed Non-Manufacturing Activity (Feb)	-3.7
	US Leading Index (Jan)	-0.10%
	AU Westpac Leading Index MoM (Jan)	-0.04%
	JN Exports YoY (Jan)	9.80%
	AU Wage Price Index QoQ (4Q)	1.30%
	UK CBI Trends Total Orders (Feb)	-30
	US MBA Mortgage Applications	-2.30%
	EC Consumer Confidence (Feb P)	-16.1

Source: Bloomberg

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