September 21, 2018

HongLeong Bank

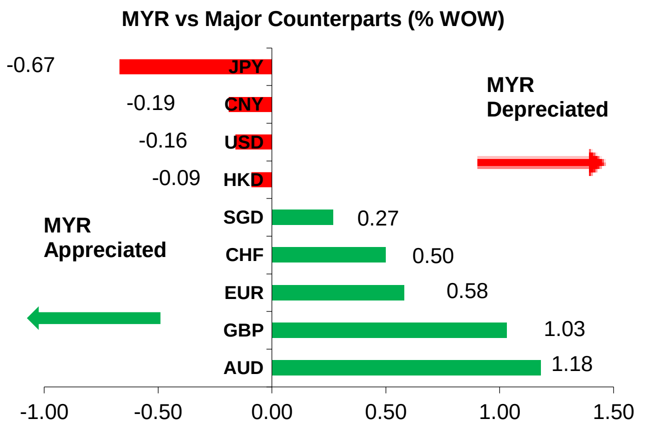
# Global Markets Research

# Weekly Market Highlights

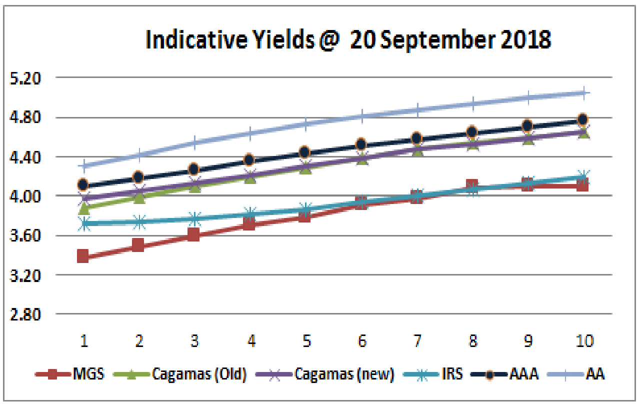
## Weekly Performance

| | Macro | Currency | Equity | 10-y Govt Bond Yields |
|---|---|---|---|---|
| US | ↑ | ↓ | ↑ | ↑ |
| EU | ↓ | ↑ | ↑ | ↑ |
| UK | ↑ | ↑ | ↑ | ↑ |
| Japan | ↑ | ↓ | ↑ | ↑ |
| Malaysia | ↓ | ↑ | ↑ | ↓ |
| China | ↔ | ↓ | ↑ | ↑ |
| Hong Kong | ↓ | ↑ | ↑ | ↑ |
| Singapore | ↓ | ↑ | ↑ | ↑ |

## Weekly MYR Performance




## Indicative Yields




**Please see important disclosure at the end of the report**

## Macroeconomics

- Stock markets in the US rallied this week with the Dow and S&P 500 reached fresh record highs. Investors seemed unfazed by rising trade tensions and focused on strong economic data. Investors sold US treasuries on renewed trade tension and in anticipation of next week's FOMC meeting – yield on 10Y US treasuries closed above 3.00%. WTI rallied above $71/barrel earlier of the week but failed to sustain the gain after President Trump's tweet on OPEC.The BOJ left its monetary policy unchanged in the week. US data were generally solid with the exception of the housing markets which appeared rather mixed. UK inflation surged and retail sales beat expectations. Japan inflation rose slightly, New Zealand 2Q GDP outlived expectations. Malaysia CPI pulled back substantially to 0.2% YOY in August.
- The FOMC is meeting next week and will raise fed fund rate for the third time in 2018. A barrage of US economic data are due inclusive of August core PCE and final reading of 2Q GDP growth. The Eurostat will release flash September HICP estimates whereas the final 2Q GDP growth is due in the UK. Job report, retail sales, IPI are due in Japan. Data for Singapore include CPI and industrial productions. Last but not least, The RBNZ is also set to announce its decision on official cash rate.

## Forex

- MYR advanced 0.16% WOW to 4.1380 against a soft USD but retreated against 9 G10s. Expect a slightly bullish MYR in line with our bearish view on USD below. Less of negative developments in US-China trade relations will be supportive of MYR, though we reckon that MYR needs strong domestic positive catalysts to sustain a firm bullish trend. USDMYR has just completed a bullish cycle and we now set sights on a decline going forward. Retaking 4.1489 will change this, but until this happens, we expect potential losses towards 4.1150 – 41200 range.
- USD tumbled against 9 G10s while the DXY fell 0.64% WOW to 93.91 as demand for the greenback's safety receded as China responded relatively mildly to fresh US tariffs, including stating that it would not engage in currency devaluation, on top of reduction to its import tariffs. We are bearish on USD next week as we expect buying interest to retreat ahead of FOMC policy announcement, as well as other first-tier US data. Expect USD losses from downside in data. Policy-wise, we opine that Fed has communicated its forward guidance rather well, thus unless there are major changes to current policy expectations, there is unlikely to be a boost to USD. Technically, a firmer bearish trend has emerged and DXY is likely to break below 93.73 soon. Below this, there is room for a drop to 92.88 – 92.96.

## Fixed Income

- UST curve shifted higher on a steepening bias prior week with 2s10s spread widening to 25bps from a recent low of 20bps on 13th September as overall yields ended higher yet again albeit between 5-8bps w-o-w. The 2Y benchmark; reflective of interest rate predictions spiked 5bps to a decade-high at 2.81% whereas the widely-followed 10Y benchmark swung within a range of 2.97-3.07% levels before closing 10bps to 3.06%; firmly entrenced above the 3.00% threshold. This week saw the lower Chinese foreign holdings in July drop of $7.7b (total balance $1.17 trillion) being eclipsed somewhat by Japan's rise in similar holdings to $5.1b (total balance $1.04 trillion). Meanwhile the 3-month LIBOR's recent jump to 2.3664% (highest since 4th May) comes as short-end traders seem increasingly convinced that the FOMC will boost the Fed Fund rates by 25bps at both its September and December meetings. The US Treasury will issue $106b worth of 2Y, 5Y and 7Y bonds next week. On the global trade front whist the US is set to impose a 10% tariff on $200b of Chinese goods on 24th September; the Asian country is however keen to cut average tariff rates on imports from the majority of its trading partners.
- Local govvies rallied w-o-w as overall benchmark yields ended 0-5bps lower; resulting in flattening of the 3s10s part of the curve. The off-the-run 19's, 21-23's and benchmark 10Y bonds saw good demand despite another holiday-shortened week with overall volume up at RM12.5b compared to RM6.5b prior week. GII bond trades as a percentage of overall trades dipped to ~30%. The benchmark 7Y MGS 3/25 traded within a 6bps range notching 5bps lower at 3.95% levels whilst the much-watched 10Y benchmark MGS 6/28 saw more action also on narrower trading range i.e. 4.07-10% levels; closing 2bps lower at 4.09%. The sustained strength followed lower CPI data of 0.2% for August and also the Finance minister's assessment of strong economy predicated on 5.0% growth for 2018, low unemployment rate, stesdy current account surplus, low inflation, sound international reserves and well-capitalised financial institutions.

# Contents

# Macroeconomics

### 6-month Macro Outlook

| | Economy | Inflation | Interest Rate | Currency |
|---|---|---|---|---|
| US | ↔ | ↔ | ↑ | ↑ |
| EU | ↓ | ↔ | ↔ | ↔ |
| UK | ↓ | ↔ | ↔ | ↔ |
| Japan | ↓ | ↔ | ↔ | ↔ |
| Australia | ↔ | ↔ | ↔ | ↓ |
| China | ↓ | ↔ | ↔ | ↓ |
| Malaysia | ↓ | ↓ | ↔ | ↓ |
| Thailand | ↔ | ↔ | ↑ | ↓ |
| Indonesia | ↓ | ↔ | ↑ | ↓ |
| Singapore | ↓ | ↔ | ↔ | ↓ |

## The Week in Review

- Stock markets in the US rallied this week with the Dow and S&P 500 reached fresh record highs on Thursday as investors were unfazed by the latest development in the seemingly never-ending Sino-American trade and focused instead on upbeat US economic data. To recap, the US has announced its plan to slap a 10% tariffs on $200b Chinese imports on 24 September which in turn led a reluctant China to retaliate at a significantly smaller magnitude (5-10% tariffs on a mere $60b worth of American goods) and this also somewhat helped lifted sentiments. Investors sold US treasuries on renewed trade tension and in anticipation of next week's FOMC meeting – yield on 10Y US treasuries closed above 3.0% on Wednesday and Thursday. WTI rallied above $71/barrel earlier of the week only to erase some gains following President Trump's tweet which called OPEC to lower oil prices. The BOJ had also left its monetary policy unchanged in the week.

- US data were generally solid (49-year low initial jobless claims and solid manufacturing sector) but housing markets data appeared mixed as we have suspected last week. UK August CPI surged unexpectedly to 2.5% YOY and retail sales growth outperformed expectations to increase 0.3% MOM. Japan CPI for all items rose 1.3% YOY in August while core CPI edged up 0.9% YOY, still far below the BOJ's 2% target. New Zealand 2Q GDP growth rose to a 2-year high of 1.0% QOQ. At home, Malaysia CPI pulled back substantially to 0.2% YOY in August.

## The Week Ahead

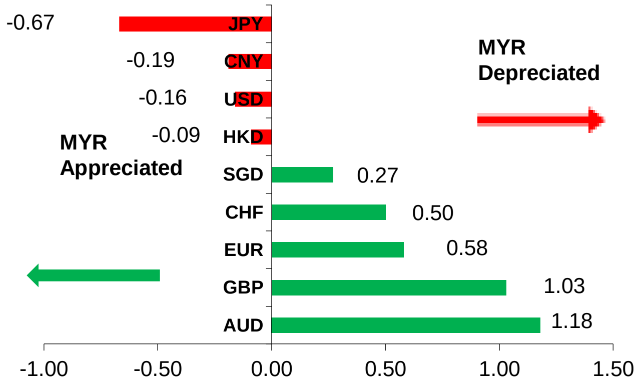
- It will be a busy week for the US next week- aside from a very packed economic calendar, the FOMC is also scheduled to meet on Wednesday and this time to hike the fed fund rate for the third time from the target range of 1.75% - 2.00% to 2.00% - 2.25%. The meeting will then be accompanied by a press conference by Fed Chair Jerome Powell who will deliver the FOMC latest economic assessment. Markets have largely priced in the expectations of the 25bps hike as most data continued to paint a picture of strong economic fundamentals with the tax cut fuelled growth likely to last through 2018 to early 2019. Initial jobless claims have fallen to the lowest level in 49 years whereas surveys indicate that both manufacturing and services firms remained optimistic with intentions to expand their businesses. This also bring us to the key data for the week namely August core PCE index. While headline and core CPI both recorded a relatively slower gain in August, the Fed's preferred inflation gauges might remain steady at 2.0% YOY supported by strong consumer spending. We think the trajectory for inflation will be largely consistent supported by the recent softening of price pressure especially at the manufacturing end.

- The other key highlight of the week is the final reading of 2Q GDP growth which is likely to be revised higher to 4.3% QOQ. The second batches of regional manufacturing surveys (Dallas, Richmond, Kansas City and Chicago) are due and likely to maintain their solid readings. The remaining housing data are pouring in as well namely new home sales, pending home sales and two house price indexes (S&P CoreLogic and FHFA housr price indexes). We foresee a consistent increase in home prices whereas new home sales likely to remain weak. Others include the preliminary readings of wholesale inventories, durable goods orders and Conference Board Consumer Confidence and University of Michigan Sentiment Index.

- Releases in the Eurozone are limited to flash September HICP inflation which is likely to stay at 2.0% YOY and the final reading of September consumer confidence which has weakened to its 16-month low in the preliminary estimate. In the UK, spotlight will be on the final reading of 2Q GDP which is also expected to be left unrevised at 0.4% QOQ. In Japan, August jobs report is due followed by retail sales, industrial production, housing starts and construction orders. Meanwhile trade report is set to be released in Hong Kong whereas CPI and industrial productions are due in Singapore. In New Zealand, the RBNZ will announce its official cash rate decision and we expect the central bank to hold rate steady despite the better-than-expected 2Q GDP growth this week. There will not be any key releases in Australia and Malaysia.

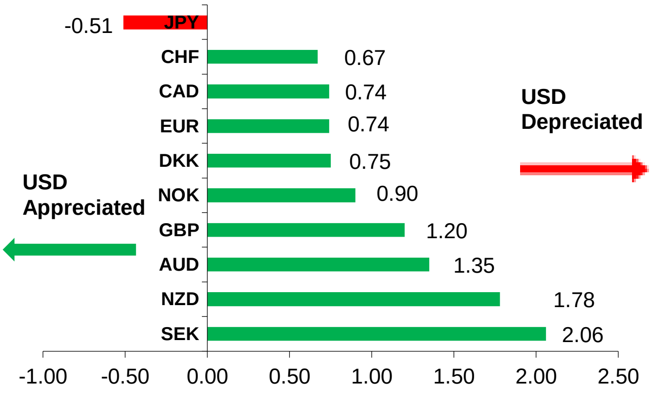
## Forex

MYR vs Major Counterparts (% WOW)



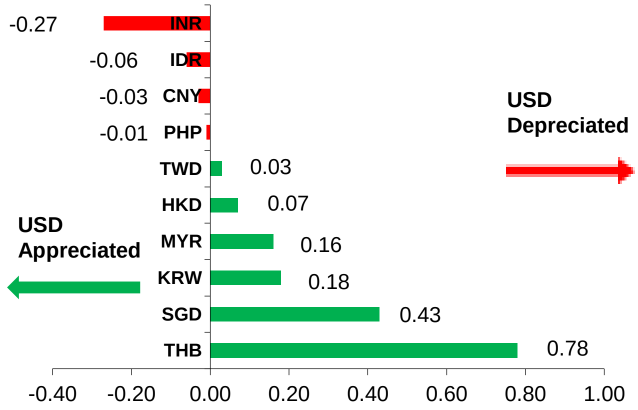

*Source: Bloomberg*

USD vs the G10s (% WOW)




*Source: Bloomberg*

USD vs Asian Curencies (% WOW)




*Source: Bloomberg*

### Review and Outlook

- **MYR**: MYR advanced 0.16% WOW to 4.1380 against a soft USD but retreated against 9 G10s. Expect a slightly bullish MYR in line with our bearish view on USD below. Less of negative developments in US-China trade relations will be supportive of MYR, though we reckon that MYR needs strong domestic positive catalysts to sustain a firm bullish trend. USDMYR has just completed a bullish cycle and we now set sights on a decline going forward. Retaking 4.1489 will change this, but until this happens, we expect potential losses towards 4.1150 – 41200 range.

- **USD**: USD tumbled against 9 G10s while the DXY fell 0.64% WOW to 93.91 as demand for the greenback's safety receded as China responded relatively mildly to fresh US tariffs, including stating that it would not engage in currency devaluation, on top of reduction to its import tariffs. We are bearish on USD next week as we expect buying interest to retreat ahead of FOMC policy announcement, as well as other first-tier US data. Expect USD losses from downside in data. Policy-wise, we opine that Fed has communicated its forward guidance rather well, thus unless there are major changes to current policy expectations, there is unlikely to be a boost to USD. Technically, a firmer bearish trend has emerged and DXY is likely to break below 93.73 soon. Below this, there is room for a drop to 92.88 – 92.96.

- **EUR**: EUR advanced 0.74% WOW to 1.1777 against a weak USD but fell against 6 G10s that were mostly European and commodity majors. EUR is likely bullish against USD next week. Upsides in Eurozone data will be supportive of EUR, but direction will be reliant mostly on the greenback's performance. We view that EURUSD has just completed a bullish chart pattern, which will target 1.1851 in the next leg higher. If current bullish bias stays unabated, there is potential for a teset at 1.1996 in the coming weeks.

- **GBP**: GBP jumped 1.20% WOW to 1.3265 against USD and advanced against 6 G10s, lifted by improved Brexit sentiment and upticks in UK data. We opine that if current positive Brexit sentiment holds, GBP will remain firmer against USD next week. GBPUSD has also responded positively to UK data upticks, thus further positive dataflow will add to recent bullishness. Technically, bullish trend has firmed up for GBPUSD after breaking above 1.3215. Holding above this will encourage the bulls to test 1.3378 in the next leg higher.

- **JPY**: JPY weakened 0.51% WOW to 112.49 against USD and slumped againt all G10s as risk appetite improved amid de-escalation of on-going trade tensions. Expect a bearish JPY against USD next week, assuming that current sentiment regarding US-China trade relations remain stable. USDJPY is tilted to the upside, with scope to test 112.80 – 113.00 next, but we are uncertain if current bullish bias can sustain below this range. Success opens a move to 114.15 in the weeks ahead, but failure risks a drop to 110.80 – 111.20.

- **AUD**: AUD surged 1.35% WOW to 0.7292 against USD and bested 7 G10s as risk appetite improved as markets perceived China's response to US tariffs as restrained. Expect a slightly bullish AUD against a soft USD next week. Current less negative sentiment surround US-China trade relationship will continue to support AUD, but upsides are likely to turn softer given how much AUD has climbed this week. Despite a strong rally this week, technically AUDUSD has yet to shake off the recent bearish trend. There is a chance of that happening given how downside momentum is softening; beating 0.7329 will be crucial for firmer upsides.

- **SGD**: SGD climbed 0.43% WOW to 1.3645 against a soft USD but fell against 9 G10s that also rallied on firmer market sentiment. SGD is slightly bullish against a soft USD next week, supported by receding trade war concerns, but caution that spectrum of gains are at risk of being narrowed by downsides in Singapore data. USDSGD is at risk of not being able to turn its recent downsides into a bearish trend. Closing below 1.3656 today will change that. It would then likely to take aim at 1.3569 – 1.3592 range.

## Technical Analysis:

| Currency | Current price | 14-day RSI | Support - Resistance | | Moving Averages | | | Call |
|---|---|---|---|---|---|---|---|---|
| | | | | | 30 Days | 100 Days | 200 Days | |
| EURUSD | 1.1785 | 63.5510 | 1.1537 | 1.1772 | 1.1594 | 1.1663 | 1.1947 | Positive |
| GBPUSD | 1.3225 | 65.3560 | 1.2784 | 1.3262 | 1.2946 | 1.3158 | 1.3520 | Positive |
| USDJPY | 112.72 | 64.5070 | 110.44 | 112.70 | 111.30 | 110.80 | 109.76 | Positive |
| USDCNY | 6.8405 | 50.4380 | 6.8076 | 6.8763 | 6.8516 | 6.6494 | 6.5218 | Negative |
| USDSGD | 1.3635 | 40.3360 | 1.3610 | 1.3809 | 1.3713 | 1.3586 | 1.3400 | Negative |
| AUDUSD | 0.7296 | 55.8960 | 0.7075 | 0.7359 | 0.7244 | 0.7397 | 0.7596 | Positive |
| NZDUSD | 0.6697 | 60.1820 | 0.6485 | 0.6732 | 0.6614 | 0.6790 | 0.7010 | Positive |
| USDMYR | 4.1298 | 58.4030 | 4.0869 | 4.1645 | 4.1137 | 4.0347 | 3.9959 | Neutral |
| EURMYR | 4.8669 | 71.1440 | 4.7064 | 4.8870 | 4.7609 | 4.7208 | 4.7679 | Positive |
| GBPMYR | 5.4614 | 73.6380 | 5.1971 | 5.5007 | 5.3125 | 5.3285 | 5.3959 | Positive |
| JPYMYR | 3.6638 | 40.1050 | 3.6665 | 3.7394 | 3.6969 | 3.6464 | 3.6342 | Negative |
| CHFMYR | 4.3160 | 70.6320 | 4.1240 | 4.3542 | 4.1959 | 4.0791 | 4.0978 | Positive |
| SGDMYR | 3.0289 | 73.3350 | 2.9880 | 3.0337 | 3.0013 | 2.9766 | 2.9800 | Positive |
| AUDMYR | 3.0129 | 58.1560 | 2.9576 | 3.0214 | 2.9916 | 2.9914 | 3.0332 | Positive |
| NZDMYR | 2.7655 | 61.1970 | 2.7029 | 2.7616 | 2.7263 | 2.7496 | 2.7978 | Positive |

## Trader's Comment:

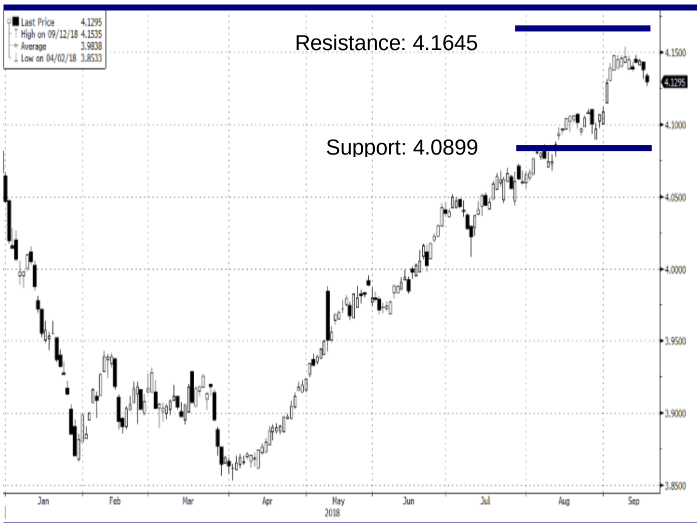
Week began with Trump announcing the long anticipated tariffs on USD200 bil of Chinese imports, at 10% and then subsequently to be raised to 25% beginning 2019. China retaliated by imposing tariffs on USD60 bil of US imports. Seemingly a risk off news, markets instead took the less than expected tariffs as a positive sign and a classic risk-on move followed for the rest of the week. Brent continued to grind higher but has yet to make a convincing breakthrough above 80, while crude printed a similar pattern, stopping short of 72. They have both pulled back when Trump called for OPEC to slash oil prices last night, but seem to have found support for now. Other commodities were positive too, leading commodities currencies AUD and NZD 2% higher against USD this week. Equities rallied, while US treasuries tumbled, with the 10y UST yields at 3.08% currently. USD weakness was observed across the board except against JPY, leading DXY to low of 93.81, while EM currencies recovered.

The risk-on move was further supported by other risk-friendly headlines throughout the week. On Tuesday Bank Indonesia announced new rules for onshore oilers to convert half of their export proceeds into IDR, as part of their latest effort to defend the IDR which has weakened against the USD by 12% since February this year. On Wednesday all of UK's CPI data came in above expectations, and coupled with meaningful progress in Brexit talks with the EU, kept GBPUSD and EURUSD supported. Abe won the Japan elections yesterday as expected, and the confirmation led USDJPY another leg higher as Japanese investors continue their yield chase.

Also yesterday PBOC and HKMA signed a memorandum that allows PBOC to issue bills in Hong Kong, another tool for China to control CNH liquidity directly. As a result, USDCNH and USDHKD both got sold off as markets were bestowed with new found confidence in China. USDHKD finally made an impressive breakaway from the 7.8400-7.8500 range which it has been stuck in since April and traded as low as 7.7930 just now, a level last seen in Oct 2017. On a side note, all 3 central bank meetings this week (RBA, BOJ & SNB) were mostly non-events, apart from SNB cautioning a dovish monetary policy in the coming years. Although it all looks like a bed of roses now, I would not get too complacent just yet as the trade war saga is far from over. Be watchful of any negative headline which may just reverse everything.
Locally, USDMYR too wasn't spared from the global USD weakness and traded a lower range of 4.1280-4.1480. KLCI was up around 1.4% this week. The 10y MGS auction this week was very well received, and bond yields were generally lower by around 1-4 bps. In the FX markets, seeing better 2-way flows, with corporates still buyers of USD. Expecting range of 4.1100-4.1600 for the coming week.

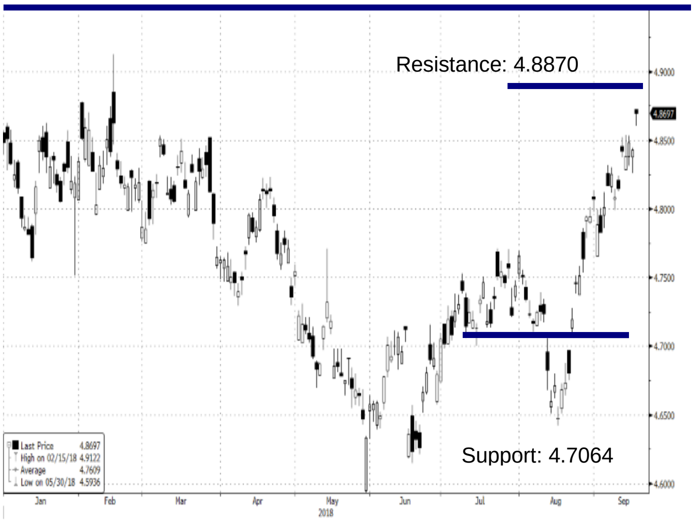
## Technical Charts

### USDMYR




*Source: Bloomberg*

### EURMYR




*Source: Bloomberg*

### GBPMYR


*Source: Bloomberg*

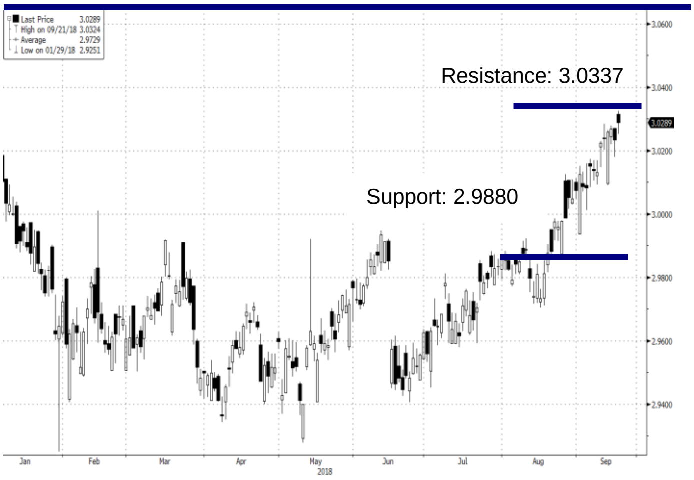
### JPYMYR


*Source: Bloomberg*

### AUDMYR

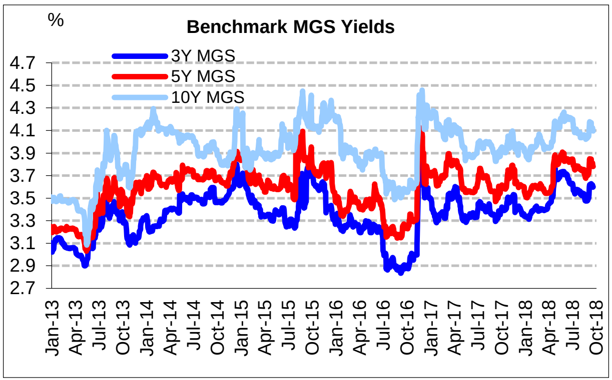

*Source: Bloomberg*

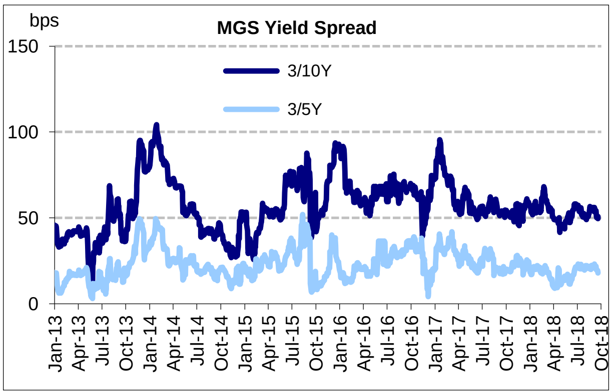
### SGDMYR

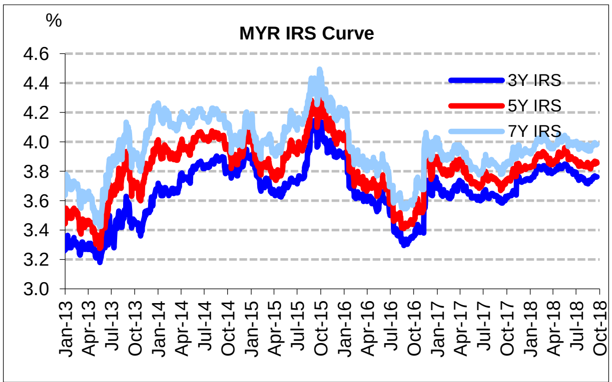


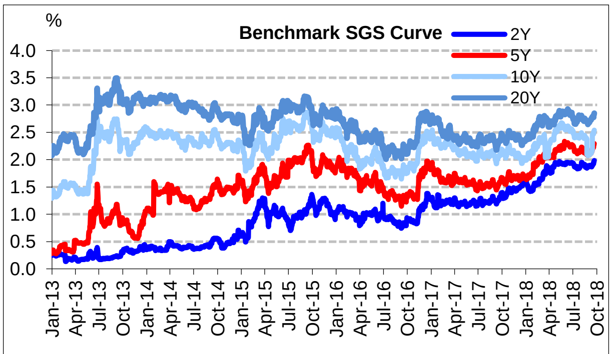

*Source: Bloomberg*

# Fixed Income




## Review & Outlook

- UST curve shifted higher on a steepening bias prior week with 2s10s spread widening to 25bps from a recent low of 20bps on 13th September as overall yields ended higher yet again albeit between 5-8bps w-o-w. The 2Y benchmark; reflective of interest rate predictions spiked 5bps to a decade-high at 2.81% whereas the widely-followed 10Y benchmark swung within a range of 2.97-3.07% levels before closing 10bps to 3.06%; firmly entrenced above the 3.00% threshold. This week saw the lower Chinese foreign holdings in July drop of $7.7b (total balance $1.17 trillion) being eclipsed somewhat by Japan's rise in similar holdings to $5.1b (total balance $1.04 trillion). Meanwhile the 3-month LIBOR's recent jump to 2.3664% (highest since 4th May) comes as short-end traders seem increasingly convinced that the FOMC will boost the Fed Fund rates by 25bps at both its September and December meetings. The US Treasury will issue $106b worth of 2Y, 5Y and 7Y bonds next week. On the global trade front whist the US is set to impose a 10% tariff on $200b of Chinese goods on 24th September; the Asian country is however keen tocut average tariff rates on imports from the majority of its trading partners.

- Local govvies rallied w-o-w as overall benchmark yields ended 0-5bps lower; resulting in flattening of the 3s10s part of the curve. The off-the-run 19's, 21-23's and benchmark 10Y bonds saw good demand despite another holiday-shortened week with overall volume up at RM12.5b compared to RM6.5b prior week. GII bond trades as a percentage of overall trades dipped to ~30%. The benchmark 7Y MGS 3/25 traded within a 6bps range notching 5bps lower at 3.95% levels whilst the much-watched 10Y benchmark MGS 6/28 saw more action also on narrower trading range i.e. 4.07-10% levels; closing 2bps lower at 4.09%. The sustained strength followed lower CPI data of 0.2% for August and also the Finance minister's assessment of strong economy predicated on 5.0% growth for 2018, low unemployment rate, stesdy current account surplus, low inflation, sound international reserves and well-capitalised financial institutions.

- Corporate bonds/sukuk however also saw rising demand with secondary volume rising slightly to ~RM1.65b despite the Monday holiday break. Yields generally ended lower with Interest mainly skewed along the Govt-guaranteed (GG); followed by the AA-part of the curve up to 20Y tenures. DANA 5/23 (GG) topped the weekly volume at 4.05%, followed by AA-rated SEB 12/32 and BGSM 8/25 which closed higher between 1-9bps at yields of 4.91% and 4.82% levels respectively compared to previous-done levels The prominent new issuances during the week include MAGNUM's non-rated 3Y and 4Y bonds totaling RM215m and also Malaysa Debt Venture's Govt-guaranteed 10Y papers amounting to RM230m.

- The SGS (govvies) yield curve shifted higher as overall benchmarks ended 5-10bps higher with the 2Y spiking 5bps to 1.96% whilst the 5Y and 10Y experienced similar volatility compared to previous week within a wider range between 10-13bps; closing higher at 2.27% and 2.52% respectively. Meanwhile the SGD is seen testing the upper boundary of its policy band as speculation mounts that MAS may tighten the current policy as early as next month with the NEER rising 0.2% this week. Core inflation has gathered pace whist the 15Y SGS added 6bps to 2.81% levels w-o-w with its auction slated next week. Meanwhile ICICI Bank UK PLc has priced its S$100m Ba1-rated 10nc5 bond at 5.375%.

| Rating Action | | | |
|---|---|---|---|
| **Issuer** | **PDS Description** | **Rating/Outlook** | **Action** |
| Puncak Wangi Sdn Bhd | Guaranteed IMTN Programme of up to RM200 million (2014/2022). | AAA(FG) | Reaffirmed |
| Sime Darby Plantation Berhad's (SD Plantation) | Corporate credit rating<br>Perpetual Subordinated Sukuk Programme (Perpetual Sukuk) of up to RM3.0 billion | AAA<br>AA-IS | Affirmed<br>Affirmed |
| Kimanis Power Sdn Bhd | RM1,160.0 million Sukuk Programme | AA-IS | Affirmed |

*Source: RAM, MARC*

| ECONOMIC CALENDAR RELEASE DATE | | | | | | |
|---|---|---|---|---|---|---|
| **Date** | **Country** | **Events** | **Reporting Period** | **Survey** | **Prior** | **Revised** |
| 01/10 | **Malaysia** | Nikkei Malaysia PMI | Sep | -- | 51.2 | -- |
| 05/10 | | Trade Balance MYR | Aug | -- | 8.3b | -- |
| | | Exports YoY | Aug | -- | 9.4% | -- |
| | | Foreign Reserves | Sep-28 | -- | -- | -- |
| **24/09** | **US** | **Chicago Fed Nat Activity Index** | **Aug** | **--** | **0.13** | **--** |
| | | **Dallas Fed Manf. Activity** | **Sep** | **31.0** | **30.9** | **--** |
| **25/09** | | **FHFA House Price Index MoM** | **Jul** | **0.2%** | **0.2%** | **--** |
| | | **S&P CoreLogic CS 20-City YoY NSA** | **Jul** | **6.2%** | **6.3%** | **--** |
| | | **Richmond Fed Manufact. Index** | **Sep** | **21.0** | **24.0** | **--** |
| | | **Conf. Board Consumer Confidence** | **Sep** | **131.5** | **133.4** | **--** |
| **26/09** | | **MBA Mortgage Applications** | **Sep-21** | **--** | **--** | **--** |
| | | **New Home Sales MoM** | **Aug** | **0.6%** | **-1.7%** | **--** |
| **27/09** | | **FOMC Rate Decision** | **Sep-26** | **2.00% - 2.25%** | **1.75% - 2.00%** | **--** |
| | | **Wholesale Inventories MoM** | **Aug P** | **--** | **0.6%** | **--** |
| | | **GDP Annualized QoQ** | **2Q T** | **4.3%** | **4.2%** | **--** |
| | | **Retail Inventories MoM** | **Aug** | **--** | **0.4%** | **0.5%** |
| | | **Durable Goods Orders** | **Aug P** | **1.7%** | **-1.7%** | **--** |
| | | **Cap Goods Orders Nondef Ex Air** | **Aug P** | **0.4%** | **1.6%** | **--** |
| | | **Initial Jobless Claims** | **Sep-22** | **--** | **--** | **--** |
| | | **Pending Home Sales MoM** | **Aug** | **-0.2%** | **-0.7%** | **--** |
| | | **Kansas City Fed Manf. Activity** | **Sep** | **--** | **14.0** | **--** |
| **28/09** | | **PCE Core YoY** | **Aug** | **2.0%** | **2.0%** | **--** |
| | | **Personal Income** | **Aug** | **0.4%** | **0.3%** | **--** |
| | | **Personal Spending** | **Aug** | **0.3%** | **0.4%** | **--** |
| | | **PCE Deflator YoY** | **Aug** | **--** | **2.3%** | **--** |
| | | **Chicago Purchasing Manager** | **Sep** | **62.0** | **63.6** | **--** |
| | | **U. of Mich. Sentiment** | **Sep F** | **100.4** | **100.8** | **--** |
| 01/10 | | Markit US Manufacturing PMI | Sep F | -- | -- | -- |
| | | Construction Spending MoM | Aug | -- | 0.1% | -- |
| | | ISM Manufacturing | Sep | 60.0 | 61.3 | -- |
| | | ISM Employment | Sep | -- | 58.5 | -- |
| | | ISM Prices Paid | Sep | -- | 72.1 | -- |
| 03/10 | | MBA Mortgage Applications | Sep-28 | -- | -- | -- |
| | | ADP Employment Change | Sep | -- | 163k | -- |
| | | Markit US Services PMI | Sep F | -- | -- | -- |
| | | ISM Non-Manufacturing Index | Sep | -- | 58.5 | -- |
| 04/10 | | Initial Jobless Claims | Sep-29 | -- | -- | -- |
| | | Factory Orders | Aug | -- | -0.8% | -- |
| | | Durable Goods Orders | Aug F | -- | -- | -- |
| | | Cap Goods Orders Nondef Ex Air | Aug F | -- | -- | -- |
| 05/10 | | Trade Balance | Aug | -- | -$50.1b | -- |
| | | Change in Nonfarm Payrolls | Sep | -- | 201k | -- |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | Unemployment Rate | Sep | -- | 3.9% | -- |
| | | Average Hourly Earnings YoY | Sep | -- | 2.9% | -- |
| | | Labor Force Participation Rate | Sep | -- | 62.70% | -- |
| **27/09** | **Eurozone** | **Consumer Confidence** | **Sep F** | **--** | **-1.9** | **--** |
| **28/09** | | **CPI Core YoY** | **Sep A** | **1.0%** | **1.0%** | |
| | | **CPI Estimate YoY** | **Sep** | **2.0%** | **2.0%** | |
| **01/10** | | **Markit Eurozone Manufacturing PMI** | **Sep F** | **--** | **--** | **--** |
| | | **Unemployment Rate** | **Aug** | **--** | **8.2%** | **--** |
| 02/10 | | PPI YoY | Aug | -- | 4.0% | -- |
| 03/10 | | Markit Eurozone Services PMI | Sep F | -- | -- | -- |
| | | Retail Sales MoM | Aug | -- | -0.2% | -- |
| **24/09** | **UK** | **CBI Trends Total Orders** | **Sep** | **--** | **7.0** | **--** |
| **28/09** | | **GfK Consumer Confidence** | **Sep** | **--** | **-7.0** | **--** |
| | | **GDP QoQ** | **2Q F** | **0.4%** | **0.2%** | **--** |
| | | **GDP YoY** | **2Q F** | **1.3%** | **1.2%** | **--** |
| | | **Nationwide House PX MoM** | **Sep** | **--** | **-0.5%** | **--** |
| 01/10 | | Mortgage Approvals | Aug | -- | 64.8k | -- |
| | | Markit UK PMI Manufacturing SA | Sep | -- | 52.8 | -- |
| 02/10 | | Markit/CIPS UK Construction PMI | Sep | -- | 52.9 | -- |
| 03/10 | | Markit/CIPS UK Services PMI | Sep | -- | 54.3 | -- |
| 05/10 | | Halifax House Prices MoM | Sep | -- | 0.10% | -- |
| **25/09** | **Japan** | **Supermarket Sales YoY** | **Aug** | **--** | **1.5%** | **--** |
| | | **Leading Index CI** | **Jul F** | **--** | **103.5** | **--** |
| | | **Coincident Index** | **Jul F** | **--** | **116.3** | **--** |
| **26/09** | | **Machine Tool Orders YoY** | **Aug F** | **--** | **5.3%** | **--** |
| **28/09** | | **Job-To-Applicant Ratio** | **Aug** | **1.63** | **1.63** | **--** |
| | | **Jobless Rate** | **Aug** | **2.5%** | **2.5%** | **--** |
| | | **Retail Trade YoY** | **Aug** | **2.1%** | **1.5%** | **--** |
| | | **Industrial Production YoY** | **Aug P** | **1.5%** | **2.2%** | **--** |
| | | **Dept. Store, Supermarket Sales** | **Aug** | **0.1%** | **-1.6%** | **--** |
| | | **Construction Orders YoY** | **Aug** | **--** | **-9.3%** | **--** |
| | | **Housing Starts YoY** | **Aug** | **0.3%** | **-0.7%** | **--** |
| 01/10 | | Tankan Large Mfg Index | 3Q | 22.0 | 21.0 | -- |
| | | Nikkei Japan PMI Mfg | Sep F | -- | -- | -- |
| 03/10 | | Nikkei Japan PMI Services | Sep | -- | 51.5 | -- |
| 05/10 | | Household Spending YoY | Aug | -- | 0.10% | -- |
| | | Labor Cash Earnings YoY | Aug | -- | 1.50% | -- |
| | | Leading Index CI | Aug P | -- | -- | -- |
| | | Coincident Index | Aug P | -- | -- | -- |
| **27/09** | **Hong Kong** | **Exports YoY** | **Aug** | **10.0%** | **10.00%** | **--** |
| | | **Imports YoY** | **Aug** | **10.4%** | **14.00%** | **--** |
| | | **Trade Balance HKD** | **Aug** | **-44.6b** | **-47.1b** | **--** |
| 02/10 | | Retail Sales Value YoY | Aug | -- | 7.8% | -- |
| 04/10 | | Nikkei Hong Kong PMI | Sep | -- | 48.5 | -- |
| 28/09 | China | Caixin China PMI Mfg | Sep | 50.6 | 50.6 | -- |

| | | | | | | |
|---|---|---|---|---|---|---|
| 30/09 | | Non-manufacturing PMI | Sep | -- | 54.2 | -- |
| | | Manufacturing PMI | Sep | 51.3 | 51.3 | -- |
| **24/09** | **Singapore** | **CPI YoY** | **Aug** | **0.7%** | **0.6%** | **--** |
| | | **CPI Core YoY** | **Aug** | **2.1%** | **1.9%** | **--** |
| **26/09** | | **Industrial Production YoY** | **Aug** | **4.5%** | **6.0%** | **--** |
| 02/10 | | Purchasing Managers Index | Sep | -- | 52.6 | -- |
| 03/10 | | Nikkei Singapore PMI | Sep | -- | 51.1 | -- |
| 01/10 | Australia | AiG Perf of Mfg Index | Sep | -- | 56.7 | -- |
| 02/10 | | RBA Cash Rate Target | Oct-02 | 1.5% | 1.5% | -- |
| 03/10 | | AiG Perf of Services Index | Sep | -- | 52.2 | -- |
| | | Building Approvals MoM | Aug | -- | -5.20% | -- |
| 04/10 | | Trade Balance | Aug | -- | A$1551m | -- |
| 05/10 | | AiG Perf of Construction Index | Sep | -- | 51.8 | -- |
| | | Retail Sales MoM | Aug | -- | 0.00% | -- |
| **26/09** | **New Zealand** | **Trade Balance NZD** | **Aug** | **-925m** | **-143m** | **--** |
| | | **Exports NZD** | **Aug** | **4.4b** | **5.35b** | **--** |
| | | **Imports NZD** | **Aug** | **5.5b** | **5.49b** | **--** |
| | | **ANZ Business Confidence** | **Sep** | **--** | **-50.3** | **--** |
| **27/09** | | **RBNZ Official Cash Rate** | **Sep-27** | **1.75%** | **1.75%** | **--** |
| **28/09** | | **Building Permits MoM** | **Aug** | **--** | **-10.3%** | **--** |
| | | **ANZ Consumer Confidence Index** | **Sep** | **--** | **117.6** | **--** |
| 03/10 | | QV House Prices YoY | Sep | -- | 4.8% | -- |
| **25-30/09** | **Vietnam** | **Trade Balance** | **Sep** | **--** | **-$100m** | **--** |
| | | **Exports YTD YoY** | **Sep** | **--** | **14.5%** | **--** |
| | | **Imports YTD YoY** | **Sep** | **--** | **11.6%** | **--** |
| | | **CPI YoY** | **Sep** | **--** | **3.98%** | **--** |
| | | **GDP YTD YoY** | **3Q** | **--** | **7.1%** | **--** |
| | | **Industrial Production YoY** | **Sep** | **--** | **13.4%** | **--** |
| | | **Retail Sales YTD YoY** | **Sep** | **--** | **11.2%** | **--** |
| 01/10 | | Nikkei Vietnam PMI Mfg | Sep | -- | 53.7 | -- |
| 06-13/09 | | Domestic Vehicle Sales YoY | Sep | -- | -7.40% | -- |

*Source: Bloomberg*

**Hong Leong Bank Berhad**
Fixed Income & Economic Research, Global Markets
Level 8, Hong Leong Tower
6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2081 1221
Fax: 603-2081 8936
Email: HLMarkets@hlbb.hongleong.com.my

**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.