

Daily Market Outlook

29 November 2019

Market Themes/Strategy

- Major currency pairs flat lined and basically trade in a tight range amidst the Thanksgiving holiday in NY. Even the GBP relinquished earlier gains chalked up in the wake of YouGov poll.
- Elsewhere, bund yields and the EUR found implicit support (despite softer than expected German CPI data points) from mixed and not unduly negative EZ November confidence indicators.
- EM equities edged lower on Thursday on slight uncertainty after the Trump/HK bill news flow, although the **FXSI (FX Sentiment Index)** continued to trickle deeper into Risk-On territory. **Markets may remain slightly cautious going into the weekend pending further Sino-US headlines.**
- **Heavier US Treasury futures in the interim may continue to impart background support for the broad dollar with little in the way excessively positive macro numbers to underpin the associated majors.** Note Australian October private sector credit numbers were softer than expected early this morning. Overall, expect the **DXY** to continue to eye 98.50.

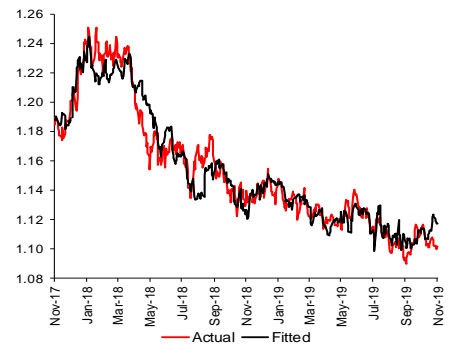
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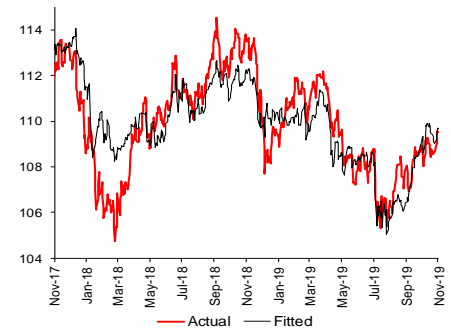
EUR-USD

Heavy. EZ November CPI prints are due at 1000 GMT while ECB appearances include Hernandez (0800 GMT), Villeroy (1610 GMT), and Guindos (1730 GMT). In the interim, EUR-USD may continue to contemplate a sustained breach of 1.1000 towards 1.0975 with short term implied valuations for the pair continuing to fade.



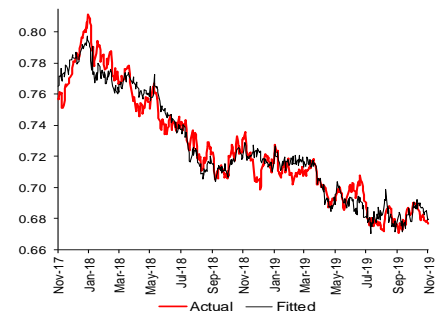
USD-JPY

Angling higher. If acute risk aversion continues to remain self-contained, expect the somewhat buoyant dollar narrative to continue to orientate the USD-JPY towards higher ground. As such, we expect the 109.60 to be continually challenged.



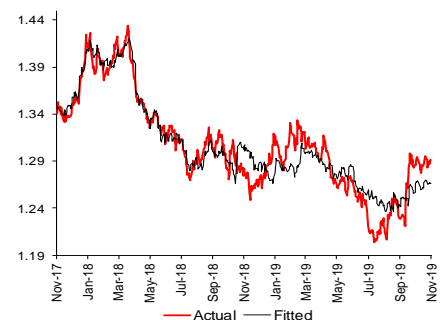
AUD-USD

Weighed down. With short term implied valuations for AUD-USD tripping lower and despite short-end riskies going off on a tangent, we think 0.6730/50 remains fair game. Sell rallies towards 0.6790.



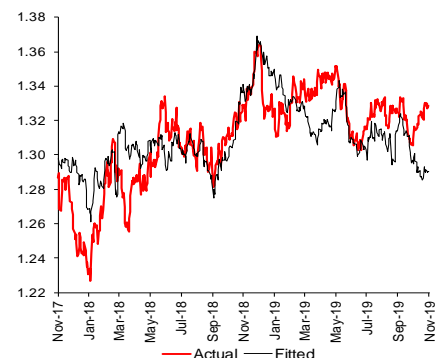
GBP-USD

Range bound. With short term implied valuations for the pair still cooperative, GBP-USD may be expected to remain book-ended within a supported range (1.2800-1.3000) with markets 'comforted' by prospects for a Conservative win in the December elections.



USD-CAD

Consolidate. Pending September GDP readings today (1330 GMT), USD-CAD may continue to remain moored to its 200-day MA (1.3279). Our near term view for the pair remains unchanged and odds may remain tilted to the upside (circa 1.3300) barring an outsized positive surprise from the GDP numbers.



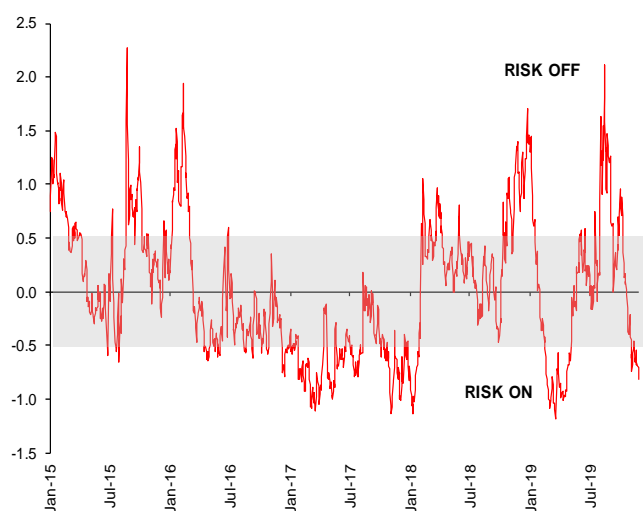
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Asian Markets

- **USD-Asia:** USD-CNH continued to drift higher on Thursday and this should continue to put a floor on USD-Asia, especially with the net portfolio flow environment less than supportive. **While investors may continue to be on the lookout for any retaliatory measures out of China following the HK bill, we note that the bill is likely only a piece in the larger Sino-US trade jigsaw. As such, expect any reaction from China to be measured.**
- The Asian calendar today includes the **BOK MPC**, with the central bank expected to remain static at 1.25%. 3Q GDP numbers out of **Taiwan** (0800 GMT) and **India** (1200 GMT) are also scheduled for today.
- **USD-SGD:** USD-SGD may retain a propensity to bounce on dips into the end of the week. Meanwhile, the SGD NEER is a touch firmer at +1.53% above its perceived parity (1.3868) with NEER-implied USD-SGD thresholds a touch higher.

FX Sentiment Index



Technical support and resistance levels

	S2	S1	Current	R1	R2
EUR-USD	1.0989	1.1000	1.1012	1.1040	1.1100
GBP-USD	1.2796	1.2900	1.2910	1.2965	1.3000
AUD-USD	0.6736	0.6759	0.6766	0.6800	0.6806
NZD-USD	0.6357	0.6400	0.6418	0.6454	0.6466
USD-CAD	1.3219	1.3279	1.3285	1.3300	1.3328
USD-JPY	108.93	109.00	109.49	109.61	109.62
USD-SGD	1.3569	1.3600	1.3658	1.3666	1.3668
EUR-SGD	1.4973	1.5000	1.5040	1.5100	1.5101
JPY-SGD	1.2400	1.2425	1.2474	1.2500	1.2551
GBP-SGD	1.7395	1.7600	1.7633	1.7690	1.7700
AUD-SGD	0.9203	0.9229	0.9241	0.9300	0.9309
Gold	1437.82	1446.20	1456.80	1486.31	1500.00
Silver	16.62	16.80	16.87	16.90	17.48
Crude	57.51	58.00	58.05	58.10	58.74

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