



IMPORTANT ECONOMIC DATA RELEASE TODAY

Economic data is an important factor that will have an impact on market direction. There are a number of economic figures releases daily. Below are some important data to watch out for, which would have impact to today's market.

No	Time	Event	Actual	Forecast	Previous
1	09:45	China Caixin Services PMI (Apr)	54.5	54.3	54.4
2	16:00	Eurozone Final Services PMI (Apr)	-	52.5	52.5
3	17:00	Eurozone Retail Sales (MoM) (Mar)	-	-0.1%	0.4%

Source: Bloomberg/ Phillip Futures

Market Update (Fundamentals):

1) Global stock index futures: Generally slumped as Sino-US trade tensions rise

Prices as at 10.30am:

Mini Dow Futures: -2.04%

Mini S&P 500 Futures: -1.98%

FTSE China A50 Futures: -6.33%

MSCI Singapore Free Index (SiMSCI) Futures: -4.09%

Global indices futures generally slumped this morning, giving back gains seen last Friday due to US unemployment rate falling to its lowest in half century, and US job creation coming in stronger than expected.

The drop occurred, after US President Trump announced that the US would increase tariffs on \$200 billion of Chinese imports to 25% from 10% on Friday. In addition, President Trump also raised the possibility of extending a new 25% duty on another US\$325 billion in Chinese imports that are not currently covered. This move is seen to be President Trump raising pressure on China to strike a trade deal at the soonest, with slow progress in trade talks cited as a key reason. This move went against the rosy picture previously painted on the trade negotiations, casting doubt on recent optimism that the world's two largest economies were close to a resolution to their trade battle. This ascertained our cautiousness that reaching a trade deal does not equate to an eventual trade deal, and the previous gains that were lifted by hopes of an eventual trade deal would be given back.

In response to President Trump's actions, China has since stated that it is considering cancelling trade talks with the US this week. Should Vice Premier Liu He not show up in the US on Wednesday, it would conform to China's strategy of not negotiating under threat. Therefore, markets are expected to focus on the development of the trade talks, and if it eventually worsen further, more downside for global indices could entail.

It is to be noted that more tariffs imposed are actually paid by importers, which are usually companies. As these companies are not necessarily Chinese companies, the global economy will be impacted as well. Corporate earnings for affected companies will also eventually decline and affect the overall market sentiment. In our opinion, the move of tariff increase was uncalled-for. Although it may have been used as an attempt to speed up the process, as well as to indicate that the US economy has not been as badly affected as the Chinese economy from the trade tariffs thus far, should the attempt backfire it could nullify all the work which has gone into the all the previous meetings. This appears to be similar to when the trade talks began last year, before any tariffs were implemented. Trade talks were progressing, before eventually placed on an indefinite pause when President Trump implemented the tariffs. China had so far not negotiated under threat, and it could be similar this time around. Therefore, if China eventually delays or cancels the scheduled trade talks this week, markets are expected to sink further, given that markets were expected a good outcome and a potential trade deal signed this Friday. As the deal in our option has been essentially priced in my markets, as seen from the recent rally over the past 2 weeks, a negative reaction from China could technically see a reverse of these gains, and market sentiments going south.

As stated on many previous occasions, the Sino-US trade situations remains a key focal point for market, and with this sudden turn of event, markets are expected to remain news-driven.

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2) Currencies: GBP sinks on pessimism towards Brexit talks; AUD lower ahead of RBA's policy decision tomorrow

The GBP faltered further as Brexit talks continues to draw no confidence from the ground. Labour finance policy chief John McDonnell stated that UK Prime Minister Theresa May has broken the terms of confidential talks with the opposition Labour Party on a Brexit compromise and can no longer be trusted. This comes at a time whereby PM May is stepping up calls for a cross-party deal to leave the EU, and is expecting to reach a resolution over the next few days. Hence, should no eventual compromise be made, it could once again worsen the Brexit situation and increase the possibility of a "Hard Brexit". The poor result at the recent local elections has also put more pressure on PM May, as it could potentially spark political instability in the UK if she continues to under deliver. Meanwhile There is still a continued possibility that PM May could step down over the coming months, triggering a Conservative Party leadership contest, a national election or even a second Brexit referendum. Hence, with uncertainties still present, more headwinds lie ahead for the GBP.

The AUD dipped ahead of the RBA policy announcement tomorrow. At present, the odd of rate cuts for the RBA is growing due to global economic easing. RBA Chairman, Philip Lowe, hinted it during his recent speeches, where he stated that there is a real chance he may cut interest rates since he took the helm of RBA in September 2016. The recent weak inflation data has also boosted bets on lower interest rates. As the 2nd April RBA meeting minutes clearly indicated that the RBA was willing to cut the cash rate if necessary and have set out the conditions that need to be fulfilled for a cut to occur, the muted inflation number could act as a trigger. Thus more weakness lies ahead for the AUD, as market turn toward the decision by the RBA tomorrow, and expects a more dovish RBA.

Technical Chart pick of the day:

AUD/USD – Bearish

- On a technical perspective, the trend is bearish, with prices below the 20, 40, 100 and 200EMA.
- Prices failed to break above the 100 EMA and gapped down. This indicates that selling pressure is present.
- Today, it also faces strong resistance at the 20 EMA.
- Based on the pivot point analysis, prices are below the pivot level. This signifies bearishness.

Resistance: R1: 0.70347, R2: 0.70491, R3: 0.70887

Support: S1: 0.69951, S2: 0.69699, S3: 0.69303

AUD/USD Hourly Chart



Economic Calendar

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
United States							
05/07/19	22:00	JOLTS Job Openings	Mar	--	--	7087	--
05/08/19	3:00	Consumer Credit	Mar	--	\$17.000b	\$15.188b	--
05/08/19	19:00	MBA Mortgage Applications	May-03	--	--	-4.30%	--
05/09/19	20:30	PPI Final Demand MoM	Apr	--	0.20%	0.60%	--
05/09/19	20:30	Initial Jobless Claims	May-04	--	--	230k	--
05/09/19	20:30	PPI Ex Food and Energy MoM	Apr	--	0.20%	0.30%	--
05/09/19	20:30	Continuing Claims	Apr-27	--	--	1671k	--
05/09/19	20:30	PPI Ex Food, Energy, Trade MoM	Apr	--	0.20%	0.00%	--
05/09/19	20:30	PPI Final Demand YoY	Apr	--	2.30%	2.20%	--
05/09/19	20:30	Trade Balance	Mar	--	-\$51.4b	-\$49.4b	--
05/09/19	20:30	PPI Ex Food and Energy YoY	Apr	--	2.50%	2.40%	--
05/09/19	20:30	PPI Ex Food, Energy, Trade YoY	Apr	--	--	2.00%	--
05/09/19	21:45	Bloomberg Consumer Comfort	May-05	--	--	60.4	--
05/09/19	22:00	Wholesale Trade Sales MoM	Mar	--	--	0.30%	--
05/09/19	22:00	Wholesale Inventories MoM	Mar F	--	--	--	--
05/10/19	20:30	CPI MoM	Apr	--	0.40%	0.40%	--
05/10/19	20:30	CPI Ex Food and Energy MoM	Apr	--	0.20%	0.10%	--
05/10/19	20:30	CPI YoY	Apr	--	2.10%	1.90%	--
05/10/19	20:30	CPI Ex Food and Energy YoY	Apr	--	2.10%	2.00%	--
05/10/19	20:30	CPI Core Index SA	Apr	--	261.927	261.374	--
05/10/19	20:30	CPI Index NSA	Apr	--	255.823	254.202	--
05/10/19	20:30	Real Avg Hourly Earning YoY	Apr	--	--	1.30%	--
05/11/19	2:00	Monthly Budget Statement	Apr	--	\$165.0b	-\$146.9b	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
Singapore							
05/06/19	8:30	Nikkei Singapore PMI	Apr	--	--	51.8	--
05/07/19	17:00	Foreign Reserves	Apr	--	--	\$295.47b	--
05/08/19	16:00	Automobile COE Open Bid Cat A	May-08	--	--	33199	--
05/08/19	16:00	Automobile COE Open Bid Cat B	May-08	--	--	48000	--
05/08/19	16:00	Automobile COE Open Bid Cat E	May-08	--	--	52410	--
05/10/19	13:00	Retail Sales Ex Auto YoY	Mar	--	--	-10.70%	--
05/10/19	13:00	Retail Sales YoY	Mar	--	--	-10.00%	--
China							
05/06/19	9:45	Caixin China PMI Composite	Apr	--	--	52.9	--
05/06/19	9:45	Caixin China PMI Services	Apr	--	54.2	54.4	--
05/07/19		Foreign Reserves	Apr	--	\$3101.50b	\$3098.76b	--
05/08/19		Trade Balance	Apr	--	\$33.70b	\$32.64b	\$32.7b
05/08/19		Exports YoY	Apr	--	3.00%	14.20%	--
05/08/19		Imports YoY	Apr	--	-2.00%	-7.60%	--
05/08/19		Trade Balance CNY	Apr	--	--	221.23b	--
05/08/19		Exports YoY CNY	Apr	--	--	21.30%	--
05/08/19		Imports YoY CNY	Apr	--	--	-1.80%	--
05/09/19	9:30	CPI YoY	Apr	--	2.50%	2.30%	--
05/09/19	9:30	PPI YoY	Apr	--	0.60%	0.40%	--
05/10/19		BoP Current Account Balance	1Q P	--	--	\$54.6b	--
India							
-	-	-	-	--	--	--	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
Japan							
05/07/19	8:30	Nikkei Japan PMI Mfg	Apr F	--	--	49.5	--
05/07/19	13:00	Vehicle Sales YoY	Apr	--	--	-4.70%	--
05/08/19	7:50	Monetary Base YoY	Apr	--	--	3.80%	--
05/08/19	7:50	Monetary Base End of period	Apr	--	--	¥506.3t	--
05/08/19	8:30	Nikkei Japan PMI Composite	Apr	--	--	50.4	--
05/08/19	8:30	Nikkei Japan PMI Services	Apr	--	--	52	--
05/09/19	10:00	Tokyo Avg Office Vacancies	Apr	--	--	1.78	--
05/09/19	13:00	Consumer Confidence Index	Apr	--	40.3	40.5	--
05/10/19	7:30	Household Spending YoY	Mar	--	1.60%	1.70%	--
05/10/19	7:30	Labor Cash Earnings YoY	Mar	--	-0.50%	-0.80%	-0.70%
05/10/19	7:30	Real Cash Earnings YoY	Mar	--	-1.20%	-1.10%	-1.00%
05/10/19	7:50	Japan Buying Foreign Bonds	May-03	--	--	¥1170.0b	--
05/10/19	7:50	Japan Buying Foreign Stocks	May-03	--	--	-¥107.1b	--
05/10/19	07:50	Foreign Buying Japan Bonds	May-03	--	--	-¥443.8b	--
05/10/19	07:50	Foreign Buying Japan Stocks	May-03	--	--	¥1426.6b	--
Eurozone							
05/06/19	16:00	Markit Eurozone Services PMI	Apr F	--	52.5	52.5	--
05/06/19	16:00	Markit Eurozone Composite PMI	Apr F	--	51.3	51.3	--
05/06/19	16:30	Sentix Investor Confidence	May	--	1	-0.3	--
05/06/19	17:00	Retail Sales MoM	Mar	--	-0.20%	0.40%	--
05/06/19	17:00	Retail Sales YoY	Mar	--	1.60%	2.80%	--
05/07/19	17:00	EU Commission Economic Forecasts					

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
United Kingdom							
05/07/19	15:30	Halifax House Prices MoM	Apr	--	0.10%	-1.60%	--
05/07/19	15:30	Halifax House Price 3Mths/Year	Apr	--	4.50%	2.60%	--
05/07/19	16:00	New Car Registrations YoY	Apr	--	--	-3.40%	--
05/08/19	7:01	BRC Sales Like-For-Like YoY	Apr	--	--	-1.10%	--
05/09/19	7:01	RICS House Price Balance	Apr	--	-22%	-24%	--
05/10/19	16:30	GDP (MoM)	Mar	--	0.00%	0.20%	--
05/10/19	16:30	GDP QoQ	1Q P	--	0.50%	0.20%	--
05/10/19	16:30	GDP YoY	1Q P	--	1.80%	1.40%	--
05/10/19	16:30	Private Consumption QoQ	1Q P	--	0.50%	0.30%	--
05/10/19	16:30	Government Spending QoQ	1Q P	--	0.40%	1.30%	--
05/10/19	16:30	Gross Fixed Capital Formation QoQ	1Q P	--	-0.20%	-0.60%	--
05/10/19	16:30	Exports QoQ	1Q P	--	1.80%	1.60%	--
05/10/19	16:30	Imports QoQ	1Q P	--	4.40%	2.10%	--
05/10/19	16:30	Total Business Investment QoQ	1Q P	--	-0.90%	-0.90%	--
05/10/19	16:30	Total Business Investment YoY	1Q P	--	--	-2.50%	--
05/10/19	16:30	Industrial Production MoM	Mar	--	0.00%	0.60%	--
05/10/19	16:30	Industrial Production YoY	Mar	--	0.40%	0.10%	--
05/10/19	16:30	Manufacturing Production MoM	Mar	--	0.10%	0.90%	--
05/10/19	16:30	Manufacturing Production YoY	Mar	--	1.20%	0.60%	--
05/10/19	16:30	Construction Output SA MoM	Mar	--	-0.40%	0.40%	--
05/10/19	16:30	Construction Output SA YoY	Mar	--	4.80%	3.30%	--
05/10/19	16:30	Visible Trade Balance GBP/Mn	Mar	--	-£13800m	-£14112m	--
05/10/19	16:30	Trade Balance Non EU GBP/Mn	Mar	--	-£5400m	-£5841m	--
05/10/19	16:30	Trade Balance	Mar	--	-£4600m	-£4860m	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
New Zealand							
05/06/19	9:00	ANZ Commodity Price	Apr	--	--	1.40%	--
05/07/19	11:00	2Yr Inflation Expectation	2Q	--	--	2.02%	2.02%
05/08/19	10:00	RBNZ Official Cash Rate	May-08	--	1.50%	1.75%	--
05/09/19	6:00	ANZ Truckometer Heavy MoM	Apr	--	--	-2.00%	--
05/10/19	6:45	Card Spending Retail MoM	Apr	--	0.80%	-0.30%	--
05/10/19	6:45	Card Spending Total MoM	Apr	--	--	-0.20%	--
Australia							
05/06/19	9:00	Melbourne Institute Inflation MoM	Apr	--	--	0.40%	--
05/06/19	9:00	Melbourne Institute Inflation YoY	Apr	--	--	2.10%	--
05/06/19	9:30	ANZ Job Advertisements MoM	Apr	--	--	-1.70%	--
05/07/19	6:30	AiG Perf of Construction Index	Apr	--	--	45.6	--
05/07/19	9:30	Trade Balance	Mar	--	A\$4490m	A\$4801m	--
05/07/19	9:30	Retail Sales MoM	Mar	--	0.20%	0.80%	--
05/07/19	9:30	Retail Sales Ex Inflation QoQ	1Q	--	0.30%	0.10%	--
05/07/19	12:30	RBA Cash Rate Target	May-07	--	1.25%	1.50%	--
05/07/19	14:30	Foreign Reserves	Apr	--	--	A\$77.1b	--
05/10/19	9:30	RBA Statement on Monetary Policy					

Source: Bloomberg/ Phillip Futures

Note: Releases highlighted in red denote indicators which are deemed by the analyst to potentially cause significant market movements

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