



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	17:00	Eurozone GDP (YoY) (Q2)	-	1.1%	1.1%
2	20:30	US Nonfarm Payrolls (Aug)	-	158K	164K
3	20:30	US Unemployment Rate (Aug)	-	3.7%	3.7%
4	00:30	Fed Chair Powell Speaks	-	-	-

Source: Bloomberg/ Phillip Futures

Market Update (Fundamentals):

1) Global stock index futures: Generally rose on trade optimism

Prices as at 10.30am:

Mini Dow Futures: +0.33%

Mini S&P 500 Futures: +0.31%

FTSE China A50 Futures: +0.09%

MSCI Singapore Free Index (SiMSCI) Futures: +0.25%

Global indices futures generally saw strength this morning, as markets continued to bask in euphoria amid signs of easing Sino-US tensions. In addition, with strong US private payrolls data and better-than-expected US services PMI numbers released last night, it tamped down recession fear for the US, and bolstered market risk appetite. There have also been increased expectations towards the nonfarm payroll results due later tonight, due to the private payrolls increasing at its fastest pace in four months. Therefore, the latest resilient data from the US and hopes it would last, serve as the main factors in keeping global indices buoyant. However, while there has been some positive economic data, this could in turn cause the Fed to lower the probability of further rate cuts. It is also highly probable that Fed Chairman Powell, during his speech later tonight, would maintain his tone that the US economy does not warrant further easing at present, which could cause retracement in the gains.

Meanwhile, although there is news that top officials from China and US have agreed to restart talks aimed at ending the trade war, and it has been reported that reliable China insiders are giving strong hints that the coming round of trade talks has a high probability of a breakthrough, we remain cautious about the development. It is to be noted that while the trade talks have been fixed, it will be held in October, instead of the scheduled September. The exact date of the October meeting has also not been specified. This could hint that both sides have yet to find a common ground, resulting in the delay. Although China's Ministry of Commerce used the words "meaningful progress", a phrase not used since trade talks fell apart in May, this could be a tactic used to give confidence by markets by portraying a rosy picture in the current trade situation, which has been used in the past as well.

At present, both US and China have yet to agree on the basic terms for re-negotiation, while mistrust remains. Moreover, there was no also indication if there would be a halt in planned 1st October tariff increase on US\$250 billion worth of Chinese goods already levied at 25%. As we are of the view that for the current trade war tensions to ease, further planned tariffs has to be aborted, and existing tariffs has to be tapered off, the lack of such signs has led us to feel that the trade war could drag further. Despite good faith seen in the attempts taken to get trade talks back on track, it does not appear to be gaining exceptional traction. Should trade talks eventually sour once again, or if the US pushes through with the proposed increase of tariffs on US\$250 billion worth of Chinese imports from 25% to 30% on 1st October, China is expected to retaliate accordingly. Hence, there is still much caution in the market, as investors brace for possible negative developments in the situation, which could trigger a selloff in global indices.

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The ongoing Sino-US trade tensions still consists of huge unpredictability, as evident from the dramatic change in sentiments of late, and we expect strong volatility ahead as the current situation paints an image of imminent strong headwinds for global indices. Moreover, we are of view that the latest escalation via additional tariffs is unlikely to result in a trade deal anytime soon. Thus, as there are still worries about the global economy, recession fears and the heightened Sino-US trade tensions present in market, it could keep a lid on market sentiments, while global indices remain largely news driven, as investors seek clarity amid the volatile market.

2) **Currencies: GBP saw strength as PM Johnson falters; USD stable ahead of Nonfarm Payroll and Powell's speech**

The GBP showed reprieve as UK Prime Minister Boris Johnson runs out of options to force through a "Hard Brexit" on 31st October. The House of Commons successfully backed a bill that would force the government to request for a three-month Brexit delay from the EU, rather than to proceed with a "Hard Brexit" on 31st October deadline. The bill is likely to pass the House of Lords later tonight and become law. This went against PM Johnson's wishes, as he was fixated on having a "Hard Brexit" by suspending the UK parliament for a month from 12th September and requesting for a snap election on 14th October. Therefore, with PM Johnson's attempts foiled, it has resulted in the GBP rebounding from its 28-month low. His plans for an early elections also appears to fail, as it has resulted in strong opposition, with the key oppositions members favouring an election later next month, after the Brexit deadline has been extended. However, we view this to be a temporary reprieve, as the risk of a "Hard Brexit", although lesser, is still present. While an extension given by the EU is still viable, the EU has cautioned that significant reason is still needed for any further delay in the deadline. Moreover, the possibility of a snap election is still on the horizon, and it could spur further political uncertainty amidst the current Brexit jeopardy. Nevertheless, with the euphoria in the GBP still strong, it could still see temporal strength until more clarity is given via the UK parliament as the House of Lords vote for the Brexit bill on Monday.

The USD was stable ahead of the much awaited job numbers and speech by Fed Chairman Powell. Powell's speech today will be accompanied by a round of Q&A. This has raised market's expectations as he may answer questions with relations to the Fed's further directions, and may provide hints towards what we can expect for the upcoming FOMC meeting on 18th September. After the unexpected contraction in US manufacturing earlier in the week, markets have increased its hopes that the Fed would reduce interest rates further in the upcoming months, with the CME Fed Watch indicating a 91.2% probability of a 25 basis points rate cut later this month. However, with the strong data from US last night, it has made the eventual action by the Fed more uncertain. Fed Chairman Powell has consistently implied that the Fed would be more data dependent going forth, as the Fed stand ready to support the US economy. Thus, as more important economic data flow in, coupled with Powell's speech due, the USD is expected to react accordingly and more volatility would entail.

Technical Chart pick of the day:

GBP/USD – Bullish

- On a technical perspective, the trend is bullish, with prices above the 20, 40, 100 and 200 EMA.
- Prices failed to break below the 20 EMA and rebounded. This indicates that buying strength is present.
- Based on the pivot point analysis, prices are above the pivot level. This signifies bullishness.

Resistance: R1: 1.23829, R2: 1.24399, R3: 1.25835

Support: S1: 1.22393, S2: 1.21527, S3: 1.20091

GBP/USD Hourly Chart



Economic Calendar

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
United States							
09/03/19	21:45	Markit US Manufacturing PMI	Aug F	--	--	49.9	--
09/03/19	22:00	ISM Manufacturing	Aug	--	51.5	51.2	--
09/03/19	22:00	ISM Employment	Aug	--	--	51.7	--
09/03/19	22:00	ISM Prices Paid	Aug	--	47.4	45.1	--
09/03/19	22:00	ISM New Orders	Aug	--	--	50.8	--
09/03/19	22:00	Construction Spending MoM	Jul	--	0.30%	-1.30%	--
09/04/19	19:00	MBA Mortgage Applications	Aug-30	--	--	-6.20%	--
09/04/19	20:30	Trade Balance	Jul	--	-\$55.2b	-\$55.2b	--
09/05/19	19:30	Challenger Job Cuts YoY	Aug	--	--	43.20%	--
09/05/19	20:15	ADP Employment Change	Aug	--	143k	156k	--
09/05/19	20:30	Nonfarm Productivity	2Q F	--	2.20%	2.30%	--
09/05/19	20:30	Unit Labor Costs	2Q F	--	2.50%	2.40%	--
09/05/19	20:30	Initial Jobless Claims	Aug-31	--	--	215k	--
09/05/19	20:30	Continuing Claims	Aug-24	--	--	1698k	--
09/05/19	21:45	Bloomberg Consumer Comfort	Sep-01	--	--	62.5	--
09/05/19	21:45	Markit US Services PMI	Aug F	--	--	50.9	--
09/05/19	21:45	Markit US Composite PMI	Aug F	--	--	50.9	--
09/05/19	22:00	Factory Orders	Jul	--	0.80%	0.60%	--
09/05/19	22:00	Factory Orders Ex Trans	Jul	--	--	0.10%	--
09/05/19	22:00	Durable Goods Orders	Jul F	--	--	2.10%	--
09/05/19	22:00	Durables Ex Transportation	Jul F	--	--	-0.40%	--
09/05/19	22:00	Cap Goods Orders Nondef Ex Air	Jul F	--	--	0.40%	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
09/05/19	22:00	Cap Goods Ship Nondef Ex Air	Jul F	--	--	-0.70%	--
09/05/19	22:00	ISM Non-Manufacturing Index	Aug	--	53.6	53.7	--
09/06/19	20:30	Change in Nonfarm Payrolls	Aug	--	165k	164k	--
09/06/19	20:30	Two-Month Payroll Net Revision	Aug	--	--	-41k	--
09/06/19	20:30	Change in Private Payrolls	Aug	--	150k	148k	--
09/06/19	20:30	Change in Manufact. Payrolls	Aug	--	5k	16k	--
09/06/19	20:30	Unemployment Rate	Aug	--	3.70%	3.70%	--
09/06/19	20:30	Average Hourly Earnings MoM	Aug	--	0.30%	0.30%	--
09/06/19	20:30	Average Hourly Earnings YoY	Aug	--	3.00%	3.20%	--
09/06/19	20:30	Average Weekly Hours All Employees	Aug	--	34.4	34.3	--
09/06/19	20:30	Labor Force Participation Rate	Aug	--	--	63.00%	--
09/06/19	20:30	Underemployment Rate	Aug	--	--	7.00%	--
China							
09/02/19	9:45	Caixin China PMI Mfg	Aug	--	49.8	49.9	--
09/04/19	9:45	Caixin China PMI Composite	Aug	--	--	50.9	--
09/04/19	9:45	Caixin China PMI Services	Aug	--	51.7	51.6	--
09/07/19		Foreign Reserves	Aug	--	\$3105.00b	\$3103.70b	--
09/08/19		Imports YoY	Aug	--	-6.00%	-5.60%	-5.30%
09/08/19		Trade Balance	Aug	--	\$44.80b	\$45.06b	\$44.60b
09/08/19		Exports YoY CNY	Aug	--	--	10.30%	--
09/08/19		Exports YoY	Aug	--	2.60%	3.30%	--
09/08/19		Trade Balance CNY	Aug	--	--	310.26b	--
09/08/19		Imports YoY CNY	Aug	--	--	0.40%	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
United Kingdom							
09/02/19	16:30	Markit UK PMI Manufacturing SA	Aug	--	48.3	48	--
09/03/19	7:01	BRC Sales Like-For-Like YoY	Aug	--	--	0.10%	--
09/03/19	16:30	Markit/CIPS UK Construction PMI	Aug	--	45.5	45.3	--
09/04/19	16:30	Markit/CIPS UK Services PMI	Aug	--	51.2	51.4	--
09/04/19	16:30	Markit/CIPS UK Composite PMI	Aug	--	--	50.7	--
09/04/19	16:30	Official Reserves Changes	Aug	--	--	\$1749m	--
09/05/19	16:00	New Car Registrations YoY	Aug	--	--	-4.10%	--
09/06/19	15:30	Halifax House Prices MoM	Aug	--	0.00%	-0.20%	--
09/06/19	15:30	Halifax House Price 3Mths/Year	Aug	--	3.40%	4.10%	--
09/06/19	16:30	BoE/TNS Inflation Next 12 Mths	Aug	--	--	3.10%	--
Singapore							
09/03/19	21:00	Purchasing Managers Index	Aug	--	49.7	49.8	--
09/03/19	21:00	Electronics Sector Index	Aug	--	--	49.3	--
09/04/19	8:30	Markit Singapore PMI	Aug	--	--	51	--
09/04/19	16:00	Automobile COE Open Bid Cat A	Sep-04	--	--	31917	--
09/04/19	16:00	Automobile COE Open Bid Cat B	Sep-04	--	--	38602	--
09/04/19	16:00	Automobile COE Open Bid Cat E	Sep-04	--	--	40002	--
India							
09/02/19	13:00	Markit India PMI Mfg	Aug	--	--	52.5	--
09/02/19		Eight Infrastructure Industries	Jul	--	--	0.20%	--
09/04/19	13:00	Markit India PMI Services	Aug	--	--	53.8	--
09/04/19	13:00	Markit India PMI Composite	Aug	--	--	53.9	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
Eurozone							
09/02/19	16:00	Markit Eurozone Manufacturing PMI	Aug F	--	47	47	--
09/03/19	17:00	PPI MoM	Jul	--	--	-0.60%	--
09/03/19	17:00	PPI YoY	Jul	--	--	0.70%	--
09/04/19	16:00	Markit Eurozone Services PMI	Aug F	--	53.4	53.4	--
09/04/19	16:00	Markit Eurozone Composite PMI	Aug F	--	51.8	51.8	--
09/04/19	17:00	Retail Sales MoM	Jul	--	-0.50%	1.10%	--
09/04/19	17:00	Retail Sales YoY	Jul	--	--	2.60%	--
09/06/19	17:00	Employment QoQ	2Q F	--	--	0.20%	--
09/06/19	17:00	Employment YoY	2Q F	--	--	1.10%	--
09/06/19	17:00	Gross Fix Cap QoQ	2Q	--	--	1.10%	0.10%
09/06/19	17:00	Govt Expend QoQ	2Q	--	--	0.10%	--
09/06/19	17:00	Household Cons QoQ	2Q	--	--	0.50%	--
09/06/19	17:00	GDP SA QoQ	2Q F	--	0.20%	0.20%	--
09/06/19	17:00	GDP SA YoY	2Q F	--	1.10%	1.10%	--
New Zealand							
09/02/19	6:45	Terms of Trade Index QoQ	2Q	--	1.00%	1.00%	0.90%
09/04/19	1:00	QV House Prices YoY	Aug	--	--	2.20%	--
09/04/19	9:00	ANZ Commodity Price	Aug	--	--	-1.40%	--
09/05/19	6:45	Volume of All Buildings SA QoQ	2Q	--	1.30%	6.20%	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
Australia							
09/02/19	6:30	AiG Perf of Mfg Index	Aug	--	--	51.3	--
09/02/19	7:00	CBA Australia PMI Mfg	Aug F	--	--	51.3	--
09/02/19	8:00	CoreLogic House Px MoM	Aug	--	--	0.10%	--
09/02/19	9:00	Melbourne Institute Inflation MoM	Aug	--	--	0.30%	--
09/02/19	9:00	Melbourne Institute Inflation YoY	Aug	--	--	1.80%	--
09/02/19	9:00	Consumer Inflation Expectation	Sep	--	--	3.50%	--
09/02/19	9:30	Inventories SA QoQ	2Q	--	0.30%	0.70%	--
09/02/19	9:30	Company Operating Profit QoQ	2Q	--	2.00%	1.70%	--
09/02/19	9:30	ANZ Job Advertisements MoM	Aug	--	--	0.80%	--
09/02/19	14:30	Commodity Index SDR YoY	Aug	--	--	16.10%	--
09/02/19	14:30	Commodity Index AUD	Aug	--	--	131.5	--
09/03/19	9:30	BoP Current Account Balance	2Q	--	A\$1.5b	-A\$2.9b	--
09/03/19	09:30	Net Exports of GDP	2Q	--	0.3	0.2	--
09/03/19	9:30	Retail Sales MoM	Jul	--	0.20%	0.40%	--
09/03/19	12:30	RBA Cash Rate Target	Sep-03	--	1.00%	1.00%	--
09/04/19	6:30	AiG Perf of Services Index	Aug	--	--	43.9	--
09/04/19	7:00	CBA Australia PMI Services	Aug F	--	--	49.2	--
09/04/19	7:00	CBA Australia PMI Composite	Aug F	--	--	49.5	--
09/04/19	9:30	GDP SA QoQ	2Q	--	0.50%	0.40%	--
09/04/19	9:30	GDP YoY	2Q	--	1.40%	1.80%	--
09/05/19	9:30	Trade Balance	Jul	--	A\$7200m	A\$8036m	--
09/06/19	6:30	AiG Perf of Construction Index	Aug	--	--	39.1	--
09/06/19	14:30	Foreign Reserves	Aug	--	--	A\$65.3b	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
Japan							
09/02/19	7:50	Capital Spending YoY	2Q	--	1.70%	6.10%	--
09/02/19	7:50	Capital Spending Ex Software YoY	2Q	--	2.40%	6.90%	--
09/02/19	7:50	Company Profits YoY	2Q	--	--	10.30%	--
09/02/19	7:50	Company Sales YoY	2Q	--	--	3.00%	--
09/02/19	8:30	Jibun Bank Japan PMI Mfg	Aug F	--	--	49.5	--
09/02/19	13:00	Vehicle Sales YoY	Aug	--	--	6.70%	--
09/03/19	7:50	Monetary Base YoY	Aug	--	--	3.70%	--
09/03/19	7:50	Monetary Base End of period	Aug	--	--	¥518.1t	--
09/04/19	8:30	Jibun Bank Japan PMI Composite	Aug F	--	--	51.7	--
09/04/19	8:30	Jibun Bank Japan PMI Services	Aug F	--	--	53.4	--
09/05/19	7:50	Japan Buying Foreign Bonds	Aug-30	--	--	-¥911.9b	--
09/05/19	07:50	Japan Buying Foreign Stocks	Aug-30	--	--	¥234.8b	--
09/05/19	7:50	Foreign Buying Japan Bonds	Aug-30	--	--	-¥103.5b	--
09/05/19	07:50	Foreign Buying Japan Stocks	Aug-30	--	--	¥3.9b	--
09/06/19	7:30	Household Spending YoY	Jul	--	0.90%	2.70%	--
09/06/19	7:30	Real Cash Earnings YoY	Jul	--	-0.70%	-0.50%	--
09/06/19	7:30	Labor Cash Earnings YoY	Jul	--	0.10%	0.40%	--
09/06/19	13:00	Leading Index CI	Jul P	--	93.2	93.3	--
09/06/19	13:00	Coincident Index	Jul P	--	100.7	100.4	--

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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