



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	12:00	China Exports (YoY) (Mar)	-6.6%	-14.0%	-17.2%
2	12:00	China Imports (YoY) (Mar)	-0.9%	-9.5%	-4.0%
3	12:00	China Trade Balance (USD) (Mar)	19.90B	18.55B	-7.09B

Source: Bloomberg/ Phillip Futures

Market Update (Fundamentals):

1) Global stock index futures: Generally in the green as hopes of Covid-19 peaking stir market euphoria

Prices as at 10:30am:

- Mini Dow Futures: +1.38%
- Mini S&P 500 Futures: +1.33%
- FTSE China A50 Futures: +0.90%
- MSCI Singapore Free Index (SiMSCI) Futures: +1.53%

Despite the corporate earnings season looming, global indices futures generally bounced this morning. This was largely attributed by the increased in optimism once again, where states in the US are gearing up to reopen their economies. Meanwhile, there have been signs of the Covid-19 peaking, or at least slowing in some US regions, and the New York governor stated last night that worst is over for the state, as hospitalisation appears to be hitting a plateau, with deaths hitting the lowest in a week. Hence, this was once again taken positively by markets, that the US economy will be reopening in incremental stages soon, especially since US President Trump stated that the administration was close to completing a plan to re-open the US economy. Although, the lifting of restriction will be beneficial for the US economy, the timing will be key in striking a balance, as lifting the lockdown too early could result in a potential second wave. However, we remain cautious as the impeding corporate earnings could hint at a potential deep recession, amid the Covid-19 pandemic rattling the global economy. In addition, it is to be noted that even though economies are reopened, it could also take some time before businesses see recovery, as time may be needed become activity fully resumes to that of before Covid-19. Moreover, the near term event of a medical breakthrough towards a Covid-19 cure or vaccine still appears unlikely at present, as it remains too early to conclude that the medicines would work in larger studies, even though there has been positive developments. Coupled with herd immunity being tough, due to the WHO declaring that it is unclear if the recovered Covid-19 patients are immune to a second infection, hopes to fully restart economies could only lie on the successful containment of Covid-19, which could be challenging. Going forward, global indices would continue to seek for hints, on whether the economy is on the road to recovery from the disease. The fog of earnings uncertainty would also dictate global indices' direction, because nobody really knows what to expect from corporate results, especially since companies have been withdrawing their guidance, and estimates all over the place.

Although Chinese exports as imports did not fall as badly as expected, due to the Chinese economy opening up and resuming operations, the dimming of the global outlook could hamper the speed of its recovery going forth. At present, there are difficulty in foreign trade, as the lockdowns across many nations, have resulted in shocks on both the supply and demand front. In addition, the recovery seen this month could also be attributed by the pent-up demand formed during China's lockdown. Hence, it is still expected that the contraction in China's foreign trade appears set to continue through the second quarter, as global demand remains depressed by measures to curb the ongoing Covid-19 outbreak. The outlook remains grim, as the WTO is forecasting that 2020 could see the worst collapse in international trade since the Great Depression.

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In addition, after this pandemic, many nations have begun to view greater importance in the supply chain origin, and could put greater focus in having more sensitive manufacturing being brought back to their home nation, instead of solely focusing on cost cutting. Hence, this could result in companies shifting their supply chain out of China once there is more clarity with regard to the Covid-19 situation. Thus, with trading partners like the US and EU potentially facing many more months of shutdowns before consumption and manufacturing can return to normal, it is very likely that China's foreign order books will still be hit hard during this period. Although much of the weakness in China's February's data was due to China's domestic measures to curb the initial outbreak, the irony now remains that companies are now getting back to work in full capacity, just as their overseas markets are closing. Thus, this could potentially result in a supply glut and show down its recovery. Moreover, with the world facing its worst recession since the 1930s this year and half of the IMF's member nations already seeking aid, there appears to be little prospect of the trade situation improving soon.

As earnings season kicks off this week, markets will be looking for a sense of how bad the hit to global profits could be as the coronavirus pandemic upends the global economy, especially under the backdrop of the outbreak sowing chaos across the world. The unprecedented nature of the economic shutdown, where social distancing and travel restrictions have become the new norms, it has continued to shroud markets in uncertainty. The key on market's mind now appears to be the peaking of the Covid-19 situation, and many have been relative optimistic, despite the possibility of a second wave of infection, which some nations are witnessing. There have also been new nations who started lockdowns last week, such as Japan, and others who are extending their lockdowns, like Malaysia, making it further evident that the coronavirus is still running rampant. It is been reported that the EU and UK are also contemplating to extend their lockdowns. Therefore, any relief rally seen could eventually prove to be unsustainable, given there is still more reason to remain cautious, and that risk is still currently skewed towards the downside.

Currencies: USD suppressed as a less gloomy picture is painted; GBP saw strength amid the positive mood

The USD slipped against its peers this morning, as the better than expected Chinese trade data resulted in markets to be less fearful of the overall economic drawdowns attributed by Covid-19. In addition, against the backdrop where there were signs of a slowdown in Covid-19 related deaths, it raised hopes towards the worst of Covid-19 being over, and in turn dampened the shine of safe-haven currencies. While markets are front running the idea of the global economy reopening, it is still to be warned that it is still too early to say that we are out of the woods. Moreover, despite the temporal shift away from safe haven currencies and the Fed bolstering its lending programme, the demand for the USD is still strong. Amid the worsening global economic outlook, a looming global recession, and the current Covid-19 pandemic, the USD's appeal as the world's reserve currency continues to be its guiding strength. Currently the USD is the world's most liquid currency, as well as the funding currency for many corporate loans. Thus, as the demand for cash has been amplified in the current turbulent times, the USD could continue to see strength. The Fed bolstering its lending programme The USD liquidity squeeze remains well underway, despite interventions by the Fed. Moreover, the recent downbeat data also appears to have little impact on the USD. Hence, while there has been increasing signs that the US economy has taken a deep toll from the Covid-19 pandemic, market sentiment appears to be little swayed by economic data for now, but more dependent on market's rush for safety as they braced for a prolonged period of uncertainty.

The positive mood with regard to the Covid-19 development was reflected in the GBP this morning, as risk appetite start to rise once again. Coupled with the improving Chinese data, expectations are being placed towards a potential sharp recovery in the economy, once Covid-19 has successfully been controlled. However, we remain sceptical of the increase, and are of the view that the euphoria could soon wear off, and that the traditional growth drivers, such as the state of the UK's economy could soon put downwards pressure back of the GBP. It is to be noted that a global recession still looms, and the UK is still planning to extend its lockdown this week, as the daily rate of deaths continue to rise in the UK. Moreover, the UK economy appears to be in doldrums. Based on the recent data, it appears further evident that the UK economy is shrinking at a record pace, which is even faster than the 2008 financial crisis. This decline will likely be the tip of the iceberg, and it is likely that the second quarter could be worst, due to the Covid-19 induced shutdown. In addition, the UK has left the EU this earlier this year, and prior to the emergence of the Covid-19 crisis, the UK already had enough on its plate to resolve. Thus, with Covid-19 now running rampant in the UK, it would also delay the UK's ability in resolving other outstanding issues, such as striking a trade deal. Hence, with so much uncertainty and headwinds ahead for the UK, it looks like the GBP's outlook would be further dampened.

Technical Chart pick of the day:

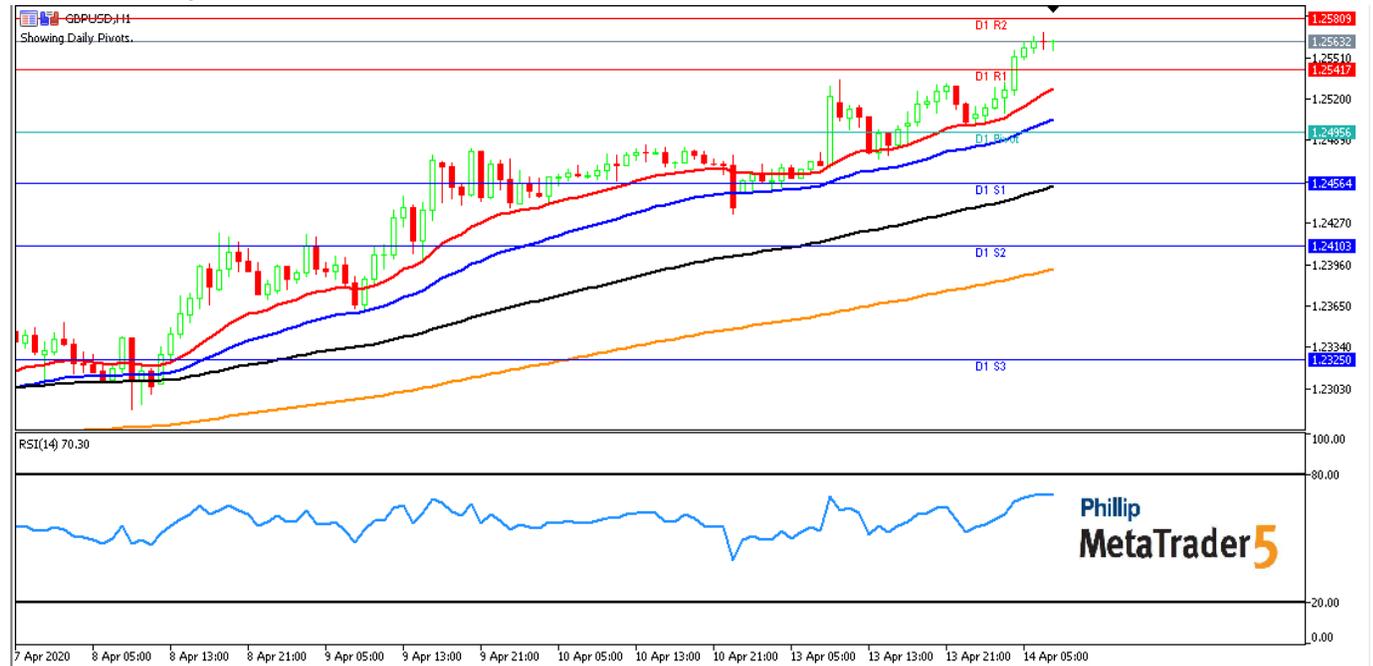
GBP/USD – Bullish

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

Resistance: R1: 1.25417, R2: 1.25809, R3: 1.26662

Support: S1: 1.24564, S2: 1.24103, S3: 1.23250

GBP/USD Hourly Chart



Economic Calendar

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
United States							
04/14/20	20:30	Import Price Index MoM	Mar	--	-3.00%	-0.50%	--
04/14/20	20:30	Import Price Index ex Petroleum MoM	Mar	--	--	0.20%	--
04/14/20	20:30	Import Price Index YoY	Mar	--	--	-1.20%	--
04/14/20	20:30	Export Price Index MoM	Mar	--	-2.00%	-1.10%	--
04/14/20	20:30	Export Price Index YoY	Mar	--	--	-1.30%	--
04/15/20	19:00	MBA Mortgage Applications	Apr-10	--	--	-17.90%	--
04/15/20	20:30	Retail Sales Advance MoM	Mar	--	-6.40%	-0.50%	--
04/15/20	20:30	Retail Sales Ex Auto MoM	Mar	--	-2.70%	-0.40%	--
04/15/20	20:30	Empire Manufacturing	Apr	--	-29	-21.5	--
04/15/20	20:30	Retail Sales Ex Auto and Gas	Mar	--	--	-0.20%	--
04/15/20	20:30	Retail Sales Control Group	Mar	--	--	0.00%	--
04/15/20	21:15	Industrial Production MoM	Mar	--	-4.10%	0.60%	--
04/15/20	21:15	Capacity Utilization	Mar	--	73.80%	77.00%	--
04/15/20	21:15	Manufacturing (SIC) Production	Mar	--	-3.60%	0.10%	--
04/15/20	22:00	Business Inventories	Feb	--	-0.40%	-0.10%	--
04/15/20	22:00	NAHB Housing Market Index	Apr	--	60	72	--
04/16/20	2:00	U.S. Federal Reserve Releases Beige Book					
04/16/20	4:00	Net Long-term TIC Flows	Feb	--	--	\$20.9b	--
04/16/20	4:00	Total Net TIC Flows	Feb	--	--	\$122.9b	--
04/16/20	20:30	Building Permits	Mar	--	1300k	1464k	1450k
04/16/20	20:30	Building Permits MoM	Mar	--	-10.50%	-5.50%	-6.30%
04/16/20	20:30	Housing Starts	Mar	--	1317k	1599k	--
04/16/20	20:30	Philadelphia Fed Business Outlook	Apr	--	-25	-12.7	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
04/16/20	20:30	Housing Starts MoM	Mar	--	-17.70%	-1.50%	--
04/16/20	20:30	Initial Jobless Claims	Apr-11	--	--	--	--
04/16/20	20:30	Continuing Claims	Apr-04	--	--	--	--
04/16/20	21:45	Bloomberg Consumer Comfort	Apr-12	--	--	49.9	--
04/17/20	22:00	Leading Index	Mar	--	-7.00%	0.10%	--
China							
04/14/20		Exports YoY CNY	Mar	--	-17.50%	--	--
04/14/20		Imports YoY CNY	Mar	--	-6.80%	--	--
04/14/20		Exports YoY	Mar	--	-14.00%	--	--
04/14/20		Imports YoY	Mar	--	-9.80%	--	--
04/14/20		Trade Balance CNY	Mar	--	175.00b	--	--
04/14/20		Trade Balance	Mar	--	\$20.00b	--	\$4.73b
04/16/20	9:30	New Home Prices MoM	Mar	--	--	0.02%	--
04/17/20	10:00	GDP YoY	1Q	--	-5.80%	6.00%	--
04/17/20	10:00	GDP SA QoQ	1Q	--	-9.80%	1.50%	--
04/17/20	10:00	GDP YTD YoY	1Q	--	-4.50%	6.10%	--
04/17/20	10:00	Industrial Production YoY	Mar	--	-5.40%	--	--
04/17/20	10:00	Industrial Production YTD YoY	Mar	--	-8.10%	-13.50%	--
04/17/20	10:00	Retail Sales YoY	Mar	--	-9.50%	--	--
04/17/20	10:00	Retail Sales YTD YoY	Mar	--	-12.30%	-20.50%	--
04/17/20	10:00	Property Investment YTD YoY	Mar	--	--	-16.30%	--
04/17/20	10:00	Fixed Assets Ex Rural YTD YoY	Mar	--	-14.50%	-24.50%	--
04/17/20	10:00	Surveyed Jobless Rate	Mar	--	--	6.20%	--
04/17/20		FX Net Settlement - Clients CNY	Mar	--	--	5.1b	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
India							
04/13/20	20:00	CPI YoY	Mar	--	5.92%	6.58%	--
04/14/20	14:30	Wholesale Prices YoY	Mar	--	1.33%	2.26%	--
04/15/20		Trade Balance	Mar	--	-\$7000.0m	-\$9850.0m	--
04/15/20		Exports YoY	Mar	--	--	2.90%	--
04/15/20		Imports YoY	Mar	--	--	2.50%	--
Singapore							
04/17/20	8:30	Electronic Exports YoY	Mar	--	--	2.50%	--
04/17/20	8:30	Non-oil Domestic Exports SA MoM	Mar	--	--	-4.80%	--
04/17/20	8:30	Non-oil Domestic Exports YoY	Mar	--	-12.80%	3.00%	--
Australia							
04/14/20	9:30	NAB Business Conditions	Mar	--	--	0	69.5652
04/14/20	9:30	NAB Business Confidence	Mar	--	--	-4	--
04/15/20	8:30	Westpac Consumer Conf Index	Apr	--	--	91.9	--
04/15/20	8:30	Westpac Consumer Conf SA MoM	Apr	--	--	-3.80%	--
04/16/20	9:00	Consumer Inflation Expectation	Apr	--	--	4.00%	--
04/16/20	9:30	Employment Change	Mar	--	-30.0k	26.7k	--
04/16/20	9:30	Unemployment Rate	Mar	--	5.40%	5.10%	--
04/16/20	9:30	Participation Rate	Mar	--	65.90%	66.00%	--
04/16/20	9:30	Full Time Employment Change	Mar	--	--	6.7k	--
04/16/20	9:30	Part Time Employment Change	Mar	--	--	20.0k	--
04/16/20	9:30	RBA FX Transactions Market	Mar	--	--	A\$548m	--
04/16/20	9:30	RBA FX Transactions Other	Mar	--	--	A\$9m	--
04/16/20	9:30	RBA FX Transactions Government	Mar	--	--	-A\$573m	--
United Kingdom							
04/16/20	7:01	BRC Sales Like-For-Like YoY	Mar	--	--	-0.40%	--

Date	Time	Economic Release	Period	Actual	Survey	Prior	Revised
Eurozone							
04/16/20	17:00	Industrial Production SA MoM	Feb	--	0.20%	2.30%	--
04/16/20	17:00	Industrial Production WDA YoY	Feb	--	-2.00%	-1.90%	--
04/17/20	14:00	EU27 New Car Registrations	Mar	--	--	-7.40%	--
04/17/20	17:00	Construction Output MoM	Feb	--	--	3.60%	--
04/17/20	17:00	Construction Output YoY	Feb	--	--	6.00%	--
04/17/20	17:00	CPI YoY	Mar F	--	0.70%	1.20%	1.20%
04/17/20	17:00	CPI MoM	Mar F	--	0.50%	0.50%	--
04/17/20	17:00	CPI Core YoY	Mar F	--	1.00%	1.00%	--
New Zealand							
04/14/20	6:45	Net Migration SA	Feb	--	--	6490	--
04/15/20	6:45	Food Prices MoM	Mar	--	--	0.00%	--
Japan							
04/13/20	7:50	Money Stock M2 YoY	Mar	--	--	3.00%	--
04/13/20	7:50	Money Stock M3 YoY	Mar	--	--	2.50%	--
04/16/20	7:50	Japan Buying Foreign Stocks	Apr-10	--	--	¥568.6b	--
04/16/20	7:50	Japan Buying Foreign Bonds	Apr-10	--	--	-¥1056.4b	--
04/16/20	07:50	Foreign Buying Japan Stocks	Apr-10	--	--	¥422.7b	--
04/16/20	7:50	Foreign Buying Japan Bonds	Apr-10	--	--	¥494.6b	--
04/16/20	12:00	Tokyo Condominiums for Sale YoY	Mar	--	--	-35.70%	--
04/17/20	12:30	Tertiary Industry Index MoM	Feb	--	-0.50%	0.80%	--
04/17/20	12:30	Capacity Utilization MoM	Feb	--	--	1.10%	--
04/17/20	12:30	Industrial Production MoM	Feb F	--	--	0.40%	--
04/17/20	12:30	Industrial Production YoY	Feb F	--	--	-4.70%	--

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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