

Global Markets Research

Daily Market Highlights

Key Takeaways

- **US stocks finished higher overnight to kick start a busy week in corporate earnings in anticipation of further development in US-China trade deal. Major indexes tracked higher global benchmarks to end on a positive note.** The S&P500 rose by 0.7% and tech-heavy NASDAQ by 0.9% ahead of the release of Microsoft, Amazon and Twitter's earnings. The gain in the Dow Jones was capped at 0.2%, weighed down by the 3.8% fall in Boeing's share price over growing scrutiny by regulators and analysts' downgrades. **Trade optimism played a huge part in lifting overall sentiment as President Donald Trump said that the current bid to sign a trade deal with China was progressing well,** raising expectations that both countries could sign a deal next month in Chile. Treasuries yields picked up around 4-5bps along the curve as investors exited safer assets. The dollar regained some strength, strengthening against the pound, euro, yen and swiss franc. Oil prices slipped by 0.8-0.9%. Boris Johnson was denied a vote by the Speaker of the House, John Bercow on Monday in a last-ditch effort to push through his Brexit deal. The first crucial vote on his deal or the "Withdrawal Agreement" bill however will come today via what was called the "second reading" of the bill.
- **Data release is limited to Japan's All Industry Activity Index** which was unchanged in August as the rise in tertiary industry activity was offset by the fall in manufacturing activity.
- **The dollar index closed almost unchanged at 97.31** just a touch lower as the broad USD is in consolidation ahead of FOMC next week. **We are neutral USD today** as markets are likely to remain in consolidation in absence of headlines and economic data. **We remain bearish USD over the medium term** as expected Fed rate cuts alongside the Fed's balance sheet expansion plans are likely to weaken the USD.
- **MYR closed 0.14% stronger at 4.1805** as the broad USD traded mixed on Brexit headlines and on Phase 1 trade deal optimism. **We are neutral USDMYR today** as the broad USD seems to be in consolidation. **We remain bearish USDMYR over the medium term** on expected Fed rate cuts and balance sheet expansion.
- **SGD closed 0.23% stronger against the USD at 1.3610** on better US-China trade deal optimism. **We are neutral USDSGD today** as the broad USD is expected to consolidate on a lack of headlines and a relatively empty data calendar. **We are bearish USDSGD over the medium term** on an expected Fed rate cut and balance sheet expansion plan.

Overnight Economic Data

Japan ➔

What's Coming Up Next

Major Data

- Malaysia Foreign Reserves
- US Richmond Fed Manufacturing Index, Existing Home Sales
- UK CBI Trends Total Orders

Major Events

- Nil

Daily Supports – Resistances (spot prices)*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1100	1.1125	1.1153	1.1170	1.1200	➔
GBPUSD	1.2900	1.2940	1.2972	1.3000	1.3050	⬇
USDJPY	108.10	108.40	108.68	109.00	109.30	⬆
AUDUSD	0.6825	0.6850	0.6876	0.6900	0.6930	➔
EURGBP	0.8550	0.8575	0.8597	0.8625	0.8650	⬆
USDMYR	4.1700	4.1750	4.1830	4.1850	4.1900	➔
EURMYR	4.6400	4.6550	4.6651	4.6700	4.6750	➔
JPYMYR	3.8300	3.8400	3.8480	3.8600	3.8700	⬇
GBPMYR	5.3850	5.4000	5.4256	5.4500	5.4700	⬇
SGDMYR	3.0700	3.0725	3.0747	3.0775	3.0800	➔
AUDMYR	2.8500	2.8650	2.8757	2.8850	2.8950	➔
NZDMYR	2.6600	2.6700	2.6881	2.6950	2.7050	➔
USDSGD	1.3550	1.3575	1.3603	1.3625	1.3650	➔
EURSGD	1.5125	1.5150	1.5172	1.5200	1.5230	➔
GBPSGD	1.7550	1.7600	1.7648	1.7700	1.7750	⬇
AUDSGD	0.9300	0.9325	0.9355	0.9375	0.9400	➔

* at time of writing

⬆ = above 0.1% gain; ⬇ = above 0.1% loss; ➔ = less than 0.1% gain / loss

	Last Price	DoD %	YTD %	Name	Last Price	DoD %	YTD %
KLCI	1,570.93	-0.01	-7.08	CRB Index	174.74	-0.58	2.91
Dow Jones Ind.	26,827.64	0.21	15.00	WTI oil (\$/bbl)	53.31	-0.87	17.40
S&P 500	3,006.72	0.69	19.94	Brent oil (\$/bbl)	58.96	-0.77	9.59
FTSE 100	7,163.64	0.18	6.47	Gold (S/oz)	1,484.50	-0.37	15.69
Shanghai	2,939.62	0.05	17.87	CPO (RM/tonne)	2,104.00	-0.43	7.76
Hang Seng	26,725.68	0.02	3.40	Copper (\$/tonne)	5,828.00	0.38	-2.30
STI	3,139.15	0.80	2.29	Rubber (sen/kg)	424.50	-0.47	12.01

Source: Bloomberg

➤ Macroeconomics

Economic Data				
	For	Actual	Last	Survey
JP All Industry Activity Index MOM	Aug	0.0%	0.2%	0.1%

Source: Bloomberg

- **Japan All Industry Activity Index:** Japan All Industry Activity Index was unchanged in August (Jul: +0.2%) as the rise in tertiary industry activity was offset by the fall in manufacturing activity. YOY, the index slipped 0.5% (Jul: +1.3%) consistent with expectation of slower growth in Japan.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
22/10	Malaysia	Foreign Reserves	Oct-15	--	\$103.0b	--
23/10		CPI YOY	Sep	1.3%	1.5%	--
22/10	US	Richmond Fed Manufacturing Index	Oct	-7	-9	--
		Existing Home Sales MOM	Sep	-0.7%	1.3%	--
23/10		MBA Mortgage Applications	Oct-18	--	0.5%	--
		FHFA House Price Index MOM	Aug	0.3%	0.4%	--
23/10	Eurozone	Consumer Confidence	Oct A	-6.8	-6.5	--
22/10	UK	CBI Trends Total Orders	Oct	-30	-28	--
23/10	Singapore	CPI YOY	Sep	0.5%	0.5%	--
23/10	New Zealand	Trade Balance NZD	Sep	-1,400m	-1,565m	--
		Exports NZD	Sep	4.30b	4.13b	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1150	-0.15	1.1179	1.1137	-2.77
GBPUSD	1.2960	-0.18	1.3013	1.2875	1.64
USDJPY	108.62	0.16	108.66	108.29	-0.98
AUDUSD	0.6868	0.18	0.6880	0.6840	-2.61
EURGBP	0.8603	-0.07	0.8661	0.8579	-4.33
USDMYR	4.1805	-0.14	4.1875	4.1795	1.14
EURMYR	4.6690	0.20	4.6736	4.6657	-1.23
JPYMYR	3.8499	-0.01	3.8602	3.8474	2.45
GBPMYR	5.4265	0.51	5.4389	5.3941	3.02
SGDMYR	3.0721	0.25	3.0738	3.0666	1.19
AUDMYR	2.8749	0.48	2.8760	2.8648	-1.65
NZDMYR	2.6775	0.40	2.6799	2.6699	-3.64
CHFMYR	4.2464	0.26	4.2502	4.2429	1.12
CNYMYR	0.5913	0.06	0.5922	0.5791	-2.31
HKDMYR	0.5331	-0.09	0.5339	0.5224	0.98
USDSGD	1.3610	-0.23	1.3645	1.3604	-0.11
EURSGD	1.5175	-0.28	1.5231	1.5166	-2.89
GBPSGD	1.7639	-0.42	1.7708	1.7560	1.52
AUDSGD	0.9347	-0.06	0.9363	0.9331	-2.71

Source: Bloomberg

Forex

MYR

- **MYR closed 0.14% stronger at 4.1805** as the broad USD traded mixed on Brexit headlines and on Phase 1 trade deal optimism.
- **We are neutral USDMYR today** as the broad USD seems to be in consolidation. **We remain bearish USDMYR over the medium term** on expected Fed rate cuts and balance sheet expansion.

USD

- **The dollar index closed almost unchanged at 97.31** just a touch lower as the broad USD is in consolidation ahead of FOMC next week.
- **We are neutral USD today** as markets are likely to remain in consolidation in absence of headlines and economic data. **We remain bearish USD over the medium term** as expected Fed rate cuts alongside the Fed's balance sheet expansion plans are likely to weaken the USD.

EUR

- **EUR closed lower by 0.15% against the USD at 1.1150** in sympathy with a lower GBP on Brexit headlines.
- **We are neutral EUR today** on a lack of headlines and a relatively empty economic data calendar. **We remain bearish EUR over the medium term** over the ECB's announced easing measures which begins in November.

GBP

- **GBP closed 0.18% weaker to 1.2960** as there was some dissent in PM Johnson's tabling of the Brexit bill again Tuesday.
- **We are mildly bearish GBP in the interim** ahead of the strong 1.30 technical resistance and on continuous Brexit squabbling.

JPY

- **JPY finished weaker by 0.16% at 108.62** led by higher UST yields and higher US equities.
- **We remain bearish JPY today** led by better Brexit and US-China trade deal optimism. **We remain bullish JPY over the medium term** on possible Fed rate cuts and Fed balance sheet expansion plans.

AUD

- **AUD closed 0.18% stronger against the USD at 0.6868** as the broad USD lost ground against commodity currencies on better US-China trade optimism.
- **We are neutral AUD today** as the broad USD is likely to trade within recent ranges on a lack of headlines and economic data. **We remain bearish AUD over the medium term** on expected slower global growth due to prolonged trade worries.

SGD

- **SGD closed 0.23% stronger against the USD at 1.3610** on better US-China trade deal optimism.
- **We are neutral USDSGD today** as the broad USD is expected to consolidate on a lack of headlines and a relatively empty data calendar. **We are bearish USDSGD over the medium term** on an expected Fed rate cut and balance sheet expansion plan.

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