

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **US stocks fell overnight amidst mixed corporate earnings and after the U.K. Parliament voted in favour of Boris Johnson's Brexit deal but rejected his proposed time table to discuss and approve the deal for Britain to leave the EU by 31 October.** Johnson appeared adamant as his next move is to ask the EU not to extend the deadline but headlines emerged that the EU is not likely to grant Johnson his wish. The Dow Jones dropped a little by 0.2% while the S&P 500 and NASDAQ each slipped by 0.4% and 0.7%. Treasuries yields dropped around 3-4bps along the curve. **The pound tumbled and the euro slipped following the vote whereas the greenback strengthened against most of the major currencies.** Oil prices were up by 1-1.6% over news that OPEC and allies were considering for more production cut.
- **On the data front, US existing home sales slipped 2.2% MOM in September after gaining for two straight months.** The Richmond Fed Manufacturing Index rebounded to 8 in October to signal that manufacturing activities regained momentum. **British manufacturing order book appeared to be under tremendous stress** as the CBI headline Trends Total Index plunged to -37 in October, its lowest since Mar 2010. New Zealand's September trade deficit narrowed to NZD1.24b as exports rebounded while imports were unchanged. Malaysia foreign reserves edged up to \$103.3b as at 15 October.
- **The dollar index gained 0.20% to 97.526** as UK lawmakers rejected PM Johnson's Brexit timeline in the midst of endless Brexit drama. **We are neutral to mildly bullish USD today** as markets are likely to remain in consolidation within recent ranges. **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 0.18% weaker at 4.1880** as the broad USD gained slightly against a relatively quiet market during the Asian session. **We are mildly bullish USDMYR today** as the broad USD is likely to echo the previous session's move. **We remain bearish USDMYR over the medium term** on an expected Fed rate cut and its balance sheet expansion plans.
- **SGD closed 0.12% weaker against the USD at 1.3627** as the broad USD gained on Brexit headlines. **We are neutral to mildly bullish USDSGD today** as the broad USD is expected to continue consolidating on a lack of headlines and a relatively light data calendar. **We are bearish USDSGD over the medium term** over expected Fed rate cut and its balance sheet expansion plan.

#### Overnight Economic Data

Malaysia	↑
US	↓
UK	↓
New Zealand	↑

#### What's Coming Up Next

##### Major Data

- Malaysia CPI
- US MBA Mortgage Applications, FHFA House Price Index
- Eurozone Confidence
- Singapore CPI

##### Major Events

- Nil

#### Daily Supports – Resistances (spot prices)\*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1075	1.1100	1.1129	1.1160	1.1190	➔
GBPUSD	1.2775	1.2825	1.2877	1.2900	1.2950	⬇
USDJPY	107.80	108.00	108.38	108.70	109.00	⬇
AUDUSD	0.6800	0.6825	0.6859	0.6880	0.6900	⬇
EURGBP	0.8600	0.8620	0.8645	0.8675	0.8700	↔
USDMYR	4.1800	4.1850	4.1930	4.1950	4.2000	↗
EURMYR	4.6400	4.6550	4.6676	4.6700	4.6750	↗
JPYMYR	3.8400	3.8550	3.8695	3.8750	3.8900	↗
GBPMYR	5.3550	5.3750	5.3990	5.4200	5.4400	⬇
SGDMYR	3.0700	3.0725	3.0763	3.0780	3.0825	➔
AUDMYR	2.8500	2.8650	2.8755	2.8850	2.8950	➔
NZDMYR	2.6600	2.6700	2.6877	2.6950	2.7050	➔
USDSGD	1.3575	1.3600	1.3631	1.3650	1.3675	➔
EURSGD	1.5125	1.5150	1.5172	1.5200	1.5230	↗
GBPSGD	1.7450	1.7500	1.7551	1.7600	1.7650	↗
AUDSGD	0.9300	0.9325	0.9350	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	1,574.09	0.20	-6.89	CRB Index	175.51	0.44	3.36
Dow Jones Ind.	26,788.10	-0.15	14.84	WTI oil (\$/bbl)	54.16	1.59	19.27
S&P 500	2,995.99	-0.36	19.51	Brent oil (\$/bbl)	59.70	1.26	10.97
FTSE 100	7,212.49	0.68	7.20	Gold (\$/oz)	1,487.68	0.21	16.02
Shanghai	2,954.38	0.50	18.46	CPO (RM/tonne)	2,127.50	1.12	8.96
Hang Seng	26,786.20	0.23	3.64	Copper (\$/tonne)	5,818.00	-0.17	-2.46
STI	3,160.67	0.69	3.00	Rubber (sen/kg)	428.00	0.71	12.93

Source: Bloomberg

**Economic Data**

	For	Actual	Last	Survey
MA Foreign Reserves	Oct-15	\$103.3b	\$103.0b	--
US Richmond Fed Manufacturing Index	Oct	8	-9	-7
US Existing Home Sales MOM	Sep	-2.2%	1.5% (revised)	-0.7%
UK CBI Trends Total Orders	Oct	-37	-28	-30
NZ Trade Balance NZD	Sep	-1,242m	-1,628m (revised)	-1,400m
NZ Exports NZD	Sep	4.47b	4.08b (revised)	4.30b

Source: Bloomberg

## ➤ Macroeconomics

- US existing home sales fall despite lower rates:** The National Association of Realtors said that existing home sales in the US fell 2.2% MOM to a seasonally adjusted annual rate of 5.38mil units in September (Aug: +1.5% revised), partly reversing two months of gain. The more-than-expected decline again illustrates the lack of previously owned properties for sales in the market despite a lower interest rates environment following Fed's two rate cut this year.
- US Richmond Fed Manufacturing Index signals manufacturing regain momentum:** The latest Richmond Fed's Fifth District Survey of Manufacturing Activity reported that its headline composite index rose to 8 in October (Sep: -9) driven by higher readings of all three components namely shipments, new orders and employment, offering relief that the region's manufacturing activities are rebounding from the contraction seen last month.
- British manufacturing order book under tremendous stress:** The Confederation of British Industry's latest Industrial Trends Survey reported that its headline Trends Total Index, a key gauge of British factories outlook, plunged to -37 in October (Sep: -28), its weakest level since Mar 2010, again reflecting the negative impact the ongoing Brexit and trade uncertainty had on British manufacturing order book. The survey also highlighted plunging exports orders, output and multi-year low business optimism, spelling trouble for the sector in the months to come.
- New Zealand trade deficit narrowed in September:** New Zealand recorded smaller trade deficit of NZD1.24b in September (Aug: -1.63b revised) as exports rebounded by 9.5% MOM (Aug: -17.5%) to NZD4.47b (Aug: 4.08b revised) after dropping for three consecutive months while imports were unchanged (Aug: +1.0%). YOY, exports growth accelerated to 5.1% (Aug: +2.6%) while imports slipped 2.1% (Aug: +3.0%). The rebound in exports this month was boosted by shipments of goods to China and Australia, nonetheless the broader trend remained weak.
- Malaysia foreign reserves edged up in mid-October:** Bank Negara Malaysia international reserves amounted to \$103.3bn as at 15 October (previous: \$103.0b). The reserves position is sufficient to finance 7.6 months of retained imports and is 1.1 time total short-term external debt.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
23/10	Malaysia	CPI YOY	Sep	1.3%	1.5%	--
23/10	US	MBA Mortgage Applications	Oct-18	--	0.5%	--
		FHFA House Price Index MOM	Aug	0.3%	0.4%	--
24/10		Durable Goods Orders	Sep P	-0.7%	0.2%	--
		Cap Goods Orders Nondef Ex Air	Sep P	-0.1%	-0.4%	--
		Initial Jobless Claims	Oct-19	215k	214k	--
		Markit US Manufacturing PMI	Oct P	50.9	51.1	--
		Markit US Services PMI	Oct P	51.0	50.9	--
		New Home Sales MOM	Sep	-1.6%	7.1%	--
		Kansas City Fed Manf. Activity	Oct	-4	-2	--
23/10	Eurozone	Consumer Confidence	Oct A	-6.8	-6.5	--
24/10	Eurozone	Markit Eurozone Manufacturing PMI	Oct P	46.0	45.7	--
		Markit Eurozone Services PMI	Oct P	51.9	51.6	--
		ECB Main Refinancing Rate	Oct-24	0.0%	0.0%	--
24/10	Japan	Jibun Bank Japan PMI Mfg	Oct P		48.9	--
		Jibun Bank Japan PMI Services	Oct P	--	52.8	--
		Leading Index CI	Aug F	--	91.7	--
23/10	Singapore	CPI YOY	Sep	0.5%	0.5%	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1125	-0.22	1.1157	1.1118	-2.96
GBPUSD	1.2872	-0.68	1.3000	1.2862	1.03
USDJPY	108.49	-0.32	108.73	108.44	-1.08
AUDUSD	0.6855	-0.19	0.6883	0.6851	-2.72
EURGBP	0.8643	0.46	0.8645	0.8577	-3.93
USDMYR	4.1880	0.18	4.1890	4.1805	1.32
EURMYR	4.6672	-0.44	4.6684	4.6610	-1.27
JPYMYR	3.8573	0.19	3.8592	3.8461	2.65
GBPMYR	5.4188	-0.34	5.4341	5.4095	2.87
SGDMYR	3.0742	0.07	3.0742	3.0708	1.26
AUDMYR	2.8735	-0.65	2.8791	2.8705	-1.69
NZDMYR	2.6869	0.35	2.6928	2.6803	-3.30
CHFMYR	4.2365	-0.23	4.2421	4.2334	0.89
CNYMYR	0.5912	0.00	0.5917	0.5907	-2.31
HKDMYR	0.5339	0.15	0.5339	0.5330	1.08
USDSGD	1.3627	0.12	1.3634	1.3602	0.02
EURSGD	1.5160	-0.10	1.5190	1.5154	-2.94
GBPSGD	1.7541	-0.56	1.7704	1.7535	1.04
AUDSGD	0.9342	-0.65	0.9369	0.9333	-2.69

Source: Bloomberg

## Forex

### MYR

- **MYR closed 0.18% weaker at 4.1880** as the broad USD gained slightly against a relatively quiet market during the Asian session.
- **We are mildly bullish USDMYR today** as the broad USD is likely to echo the previous session's move. **We remain bearish USDMYR over the medium term** on an expected Fed rate cut and its balance sheet expansion plans.

### USD

- **The dollar index gained 0.20% to 97.526** as UK lawmakers rejected PM Johnson's Brexit timeline in the midst of endless Brexit drama.
- **We are neutral to mildly bullish USD today** as markets are likely to remain in consolidation within recent ranges. **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 0.22% against the USD at 1.1125** in sympathy with a lower GBP on Brexit headlines.
- **We are neutral to mildly bearish EUR today** with a focus on Brexit headlines as the data calendar remains relatively empty. **We remain bearish EUR in the medium term** in anticipation of the ECB's easing measures which begin in November.

### GBP

- **GBP closed 0.68% weaker at 1.2872** as lawmakers reject PM Johnson's proposed timeline to execute Brexit even though his plan was approved.
- **We remain mildly bearish GBP in the interim** ahead of the strong 1.30 technical resistance and on continuous Brexit drama.

### JPY

- **JPY finished stronger by 0.12% at 108.49** led by stronger UST demand as US equities finished lower.
- **We turn bullish JPY over the short term** as the JPY finds it difficult to break through recent supports as we draw nearer to the FOMC date. **We remain bullish JPY over the medium term** on expected Fed rate cuts and its balance sheet expansion plans.

### AUD

- **AUD closed 0.19% weaker against the USD at 0.6855** as the broad USD gained ground on Brexit headlines.
- **We are mildly bearish AUD today** as the broad USD is likely continuing trading within recent ranges on a lack of headlines and economic data. **We remain bearish AUD over the medium term** on potential RBA easing and slower global growth amid prolonged trade uncertainty.

### SGD

- **SGD closed 0.12% weaker against the USD at 1.3627** as the broad USD gained on Brexit headlines.
- **We are neutral to mildly bullish USDSGD today** as the broad USD is expected to continue consolidating on a lack of headlines and a relatively light data calendar. **We are bearish USDSGD over the medium term** over expected Fed rate cut and its balance sheet expansion plan.

**Hong Leong Bank Berhad**

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)

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