

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **US stocks retreated a little overnight in anticipation of the FOMC meeting and following news headlines that the US and China might not make it in time to sign the phase one trade agreement in Chile next month.** The S&P 500 snapped four-day winning streak, coming off its record high to lose a mere 0.08%. Similarly, the Dow Jones barely changed as it slipped 0.07% while NASDAQ lost 0.6%. Aside from Fed's expected rate cut, markets are also looking forward to Apple and Facebook's earnings alongside that of oil giants Chevron and Exxon Mobil's. Treasuries yields were little changed, dollar broadly weakened against its major peers. **Britain will hold an election on 12 Dec after Boris Johnson won a vote to call for an early ballot aimed at breaking current Brexit impasse.**
- **On the data front, US Conference Board Consumer Confidence Index slipped just a little in October.** Pending home sales saw a steadier 1.5% MOM gain and house prices also rose by an unchanged rate of 2.0% YOY in 20 US cities. In the UK house prices rose by 0.4% YOY and mortgage approvals edged up slightly, reaffirming a still subdued housing market. **Japan retail sales surged in September ahead of October's sales tax hike.** In Vietnam, CPI inflation spiked over higher food prices, while industrial production pulled back and exports declined. Retail sales rose at faster pace compared to the same period last year.
- **The dollar index closed marginally lower to 97.68** as markets gear up for FOMC due tonight. **We are neutral to mildly bearish USD today** ahead of the important FOMC decision due later. **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 almost unchanged at 4.1840** as the pair continues to consolidate ahead of tonight's important FOMC release. **We remain neutral USDMYR today** as the pair is likely to continue to consolidate ahead of the key releases. **We remain bearish USDMYR over the medium term** on an impending Fed rate cut and its balance sheet expansion plans.
- **SGD closed almost unchanged against the USD at 1.3623** as the pair continues to consolidate ahead of tonight's important FOMC release. **We remain neutral USDSGD today** as the pair is likely to continue to consolidate ahead of the key release. **We are bearish USDSGD over the medium term** over expected Fed rate cut and its balance sheet expansion plan.

#### Overnight Economic Data

US	➔
UK	⬆️
Japan	⬆️
Australia	⬆️
Vietnam	➔

#### What's Coming Up Next

##### Major Data

- US 3Q GDP, MBA Mortgage Applications, ADP Employment Change
- EU economic & consumer confidence

##### Major Events

- FOMC meeting

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

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1050	1.1075	1.1109	1.1130	1.1160	↗
GBPUSD	1.2775	1.2800	1.2867	1.2900	1.2950	↘
USDJPY	108.40	108.70	108.83	109.30	109.60	↘
AUDUSD	0.6785	0.6815	0.6865	0.6855	0.6880	↗
EURGBP	0.8575	0.8600	0.8634	0.8670	0.8700	↗
USDMYR	4.1750	4.1800	4.1850	4.1900	4.1950	➔
EURMYR	4.6200	4.6300	4.6494	4.6600	4.6700	↗
JPYMYR	3.8000	3.8150	3.8460	3.8500	3.8650	↗
GBPMYR	5.3500	5.3650	5.3854	5.4000	5.4200	↘
SGDMYR	3.0675	3.0700	3.0717	3.0750	3.0775	➔
AUDMYR	2.8450	2.8550	2.8726	2.8650	2.8750	↗
NZDMYR	2.6500	2.6600	2.6607	2.6700	2.6800	➔
USDSGD	1.3575	1.3600	1.3625	1.3650	1.3675	➔
EURSGD	1.5070	1.5100	1.5136	1.5150	1.5175	↗
GBPSGD	1.7400	1.7450	1.7530	1.7550	1.7600	↘
AUDSGD	0.9250	0.9280	0.9352	0.9350	0.9375	↗

\* 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	1,577.79	0.50	-6.67	CRB Index	178.38	0.05	5.05
Dow Jones Ind.	27,071.42	-0.07	16.05	WTI oil (\$/bbl)	55.54	-0.48	22.31
S&P 500	3,036.89	-0.08	21.14	Brent oil (\$/bbl)	61.59	0.03	14.48
FTSE 100	7,306.26	-0.34	8.59	Gold (S/oz)	1,487.72	-0.32	15.98
Shanghai	2,954.18	-0.87	18.46	CPO (RM/tonne)	2,275.50	3.76	16.54
Hang Seng	26,786.76	-0.39	3.64	Copper (\$/tonne)	5,908.00	-0.29	-0.96
STI	3,197.04	0.36	4.18	Rubber (sen/kg)	428.50	0.12	13.06

Source: Bloomberg

Economic Data				
	For	Actual	Last	Survey
US S&P CoreLogic CS 20-City YOY NSA	Aug	2.0%	2.0%	2.1%
US Pending Home Sales MOM	Sep	1.5%	1.4% (revised)	0.8%
US Conf. Board Consumer Confidence	Oct	125.9	126.3 (revised)	128.0
UK Mortgage Approvals	Sep	65.9k	65.7k (revised)	65.0k
UK Nationwide House Price Index YOY	Oct	0.4%	0.2%	0.3%
JP Retail Sales YOY	Sep	9.1%	1.8%	6.0%
AU CPI YOY	3Q	1.7%	1.6%	1.7%
VN Industrial Production YOY	Oct	9.2%	10.2%	--
VN CPI YOY	Oct	2.24%	1.98%	2.1%
VN Exports YOY	Oct	-0.8%	9.0%	9.9%
VN Retail Sales YTD YOY	Oct	11.8%	11.6%	--

Source: Bloomberg

## ➤ Macroeconomics

- US consumer confidence slipped in October:** The Conference Board Consumer Confidence Index slipped further to 125.9 in October (Sep: 126.3 revised), missing consensus expectations that had predicted a rebound. The Present Situation Index (based on consumers' assessment of current business and labor market conditions) rose 1.7pts while the Expectations Index (based on consumers' short-term outlook for income, business and labor market conditions) declined 1.9pts. Nonetheless, Conference Board said that consumer confidence was relatively flat this month and confidence level remains high and "there are no indication that consumer will curtail their holiday spending".
- US pending home sales saw steady gain; house prices rose a little:** Pending home sales rose 1.5% MOM in September (Aug: +1.4% revised), marking its second month of steady increase, offering positive signs that sales of existing homes will improve in the coming month. Meanwhile, the S&P CoreLogic CaseSchiller Index for 20 cities in the US dropped 0.2% MOM in August (Jul: +0.0 revised), leaving prices to gain a steady and modest 2.0% YOY (Jul: +2.0%), reaffirming views that the housing market remains subdued in the US.
- UK house prices barely gained in October:** The Nationwide house price index rebounded to increase 0.2% MOM in October (Sep: -0.2%) leaving the index to gain 0.4% YOY (Sep: +0.2%), its eleven month recording below 1% growth. House prices in the UK continued to see subdued and limited increases as the property market fell victim to Brexit uncertainties. Mortgage approval rose slightly to 65.9k in September (Aug: 65.7k revised), reaffirming that buyer demand remained weak.
- Japan retail surged prior to October tax hike:** Japan retail sales spiked by 7.1% MOM in September (Aug: +4.6% revised) as consumers significantly ramped up spending ahead of the sales tax hike in October. YOY, sales surged 9.1% (Aug: +1.8% revised). Both readings beat analysts' expectations but suggest that sales are likely to pull back substantially in the months ahead.
- Australia inflation stayed subdued:** Australia CPI matched expectation to increase 1.7% YOY in the third quarter of 2019 (2Q: +1.6%), a tad faster than the previous quarter. The trimmed mean CPI inflation was unchanged at 1.6% YOY (2Q: +1.6%), still below the RBA's target band of 2-3%, reaffirming that inflation remained subdued.
- Vietnam IPI slowed, inflation spiked over higher pork prices:** Vietnam industrial production slowed to increase 9.2% YOY in October (Sep: +10.2%) due to a pull-back in manufacturing, electricity and water supply output but the rate of growth remained at a comfortable range of 9-10% YOY. Retail sales rose 11.8% YOY for the period of Jan-October (Jan-Oct'18: +11.4%), a tad faster than the rate observed in the same period last year. CPI inflation edged up to 2.24% YOY (Sep: +1.98%) driven by prices of food (+2.65% vs +1.81%) as prices of pork continued to soar amid a swine flu pandemic that limits the supply of the poultry. International trade weakened in October as exports slipped for the first time in nine months, recording a decline of 0.8% YOY (Sep: +9.0%) and imports growth also softened to 3.5% YOY (Sep: +15.6%).

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
<b>30/10</b>	<b>US</b>	<b>MBA Mortgage Applications</b>	<b>Oct-25</b>	--	<b>-11.9%</b>	--
		<b>ADP Employment Change</b>	<b>Oct</b>	<b>110k</b>	<b>135k</b>	--
		<b>GDP Annualized QOQ</b>	<b>3Q A</b>	<b>1.6%</b>	<b>2.0%</b>	--
31/10		FOMC Rate Decision	Oct-30	1.75-2%	1.75-2%	--
		Personal Income	Sep	0.3%	0.4%	--
		Personal Spending	Sep	0.3%	0.1%	--
		Core PCE YOY	Sep	1.7%	1.8%	--
		Initial Jobless Claims	Oct-26	215k	212k	--
		MNI Chicago PMI	Oct	48.0	47.1	--
<b>30/10</b>	<b>Eurozone</b>	<b>Economic Confidence</b>	<b>Oct</b>	<b>101.1</b>	<b>101.7</b>	--
		<b>Consumer Confidence</b>	<b>Oct F</b>	<b>-7.6</b>	<b>-7.6</b>	--
31/10		Unemployment Rate	Sep	7.4%	7.4%	--
		GDP SA QOQ	3Q A	0.1%	0.2%	--
		CPI Core YOY	Oct P	1.0%	1.0%	--
		CPI Estimate YOY	Oct	0.7%	0.9%	--
31/10	UK	GfK Consumer Confidence	Oct	-13	-12	--
31/10	Japan	Industrial Production YOY	Sep P	-0.1%	-4.7%	--
		BOJ Policy Balance Rate	Oct-31	-0.1%	-0.1%	--
31/10	Hong Kong	GDP YOY	3QA	-0.3%	0.5%	--
31/10	China	Manufacturing PMI	Oct	49.8	49.8	--
		Non-manufacturing PMI	Oct	53.6	53.7	--
<b>30/10</b>	<b>Australia</b>	<b>CPI YOY</b>	<b>3Q</b>	<b>1.7%</b>	<b>1.6%</b>	--
31/10	New Zealand	ANZ Business Confidence	Oct	--	-53.5	--

Source: Bloomberg

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1112	0.11	1.1119	1.1074	-3.08
GBPUSD	1.2862	-0.01	1.2905	1.2807	0.86
USDJPY	108.89	-0.06	109.07	108.75	-0.75
AUDUSD	0.6865	0.39	0.6872	0.6836	-2.71
EURGBP	0.8635	0.05	0.8651	0.8608	-3.90
USDMYR	4.1840	-0.01	4.1860	4.1810	1.23
EURMYR	4.6351	-0.35	4.6440	4.6340	-1.95
JPYMYR	3.8443	-0.28	3.8453	3.8353	2.30
GBPMYR	5.3701	-0.06	5.3799	5.3695	1.95
SGDMYR	3.0718	0.02	3.0724	3.0684	1.18
AUDMYR	2.8668	0.25	2.8690	2.8601	-1.92
NZDMYR	2.6560	-0.40	2.6667	2.6553	-4.42
CHFMYR	4.2024	-0.50	4.2058	4.2007	0.08
CNYMYR	0.5927	0.12	0.5930	0.5922	-2.07
HKDMYR	0.5339	-0.02	0.5339	0.5332	1.08
USDSGD	1.3623	0.01	1.3639	1.3617	-0.04
EURSGD	1.5137	0.12	1.5144	1.5097	-3.13
GBPSGD	1.7527	0.05	1.7577	1.7458	0.82
AUDSGD	0.9351	0.39	0.9362	0.9311	-2.74

Source: Bloomberg

## Forex

### MYR

- **MYR closed almost unchanged at 4.1840** as the pair continues to consolidate ahead of tonight's important FOMC release.
- **We remain neutral USDMYR today** as the pair is likely to continue to consolidate ahead of the key releases. **We remain bearish USDMYR over the medium term** on an impending Fed rate cut and its balance sheet expansion plans.

### USD

- **The dollar index closed marginally lower to 97.68** as markets gear up for FOMC due tonight.
- **We are neutral to mildly bearish USD today** ahead of the important FOMC decision due later. **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 0.11% higher against the USD at 1.1112** in line with a slightly softer USD.
- **We remain mildly bullish EUR today** as markets consolidate with a slight USD weakening bias ahead of tonight's FOMC. **We remain bearish EUR in the medium term** in anticipation of the ECB's easing measures which begin in November.

### GBP

- **GBP closed almost unchanged at 1.2862** as UK lawmakers set the stage for a 12 Dec general election.
- **We remain mildly bearish GBP in the interim** ahead of the strong 1.30 technical resistance and on UK election uncertainties.

### JPY

- **JPY finished marginally stronger at 108.89** helped by slightly lower US equities ahead of tonight's FOMC and on a potential missed US-China trade agreement timeline.
- **We are bullish JPY over the short term** ahead of 109.10 resistance and ahead of an expected Fed rate cut. **We remain bullish JPY over the medium term** on the Fed's balance sheet expansion plans.

### AUD

- **AUD closed 0.39% stronger against the USD at 0.6865** helped by Fed rate cut expectations and expectations of a weaker USD.
- **We remain neutral to slightly bullish AUD today** in anticipation of tonight's FOMC and the impending expected rate cut. **We remain bearish AUD over the medium term** on potential RBA easing and slower global growth amid prolonged trade uncertainty.

### SGD

- **SGD closed almost unchanged against the USD at 1.3623** as the pair continues to consolidate ahead of tonight's important FOMC release.
- **We remain neutral USDSGD today** as the pair is likely to continue to consolidate ahead of the key release. **We are bearish USDSGD over the medium term** over expected Fed rate cut and its balance sheet expansion plan.

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