

# Daily Bulletin

GLOBAL MARKETS & ECONOMIES | WEEKLY ECONOMIC INDICATORS | ASIAN STOCK INDEX | CURRENCIES | PRECIOUS METAL | O I L |

Research Department

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## GLOBAL MARKETS & ECONOMIES

### GLOBAL MARKETS

- Asian shares, as measured by MSCI's main index of Asia-Pacific shares, excluding Japan rose 0.1 percent, though gains were limited by data showing Chinese factory activity contracted in May for the first time in 11 months.
- European shares inched up on Thursday, with blue chips in Milan taking the lead after better than expected Italian economic growth helped markets shrug off political worries.
- Major world stock markets rose on Thursday, with the S&P 500 and Nasdaq hitting record highs on encouraging U.S. economic data, while oil prices stabilized near three-week lows following a bigger-than-expected drop in U.S. crude inventories.

### GLOBAL ECONOMIES

- Australian business investment rose modestly in January-March after four straight declining quarters while April's retail sales rebounded vigorously from a tepid start to the year.
- New Zealand's terms of trade reached its highest level in 40 years in the first quarter of 2017 as a recovery in the dairy sector helped to strengthen the country's purchasing power abroad, the national statistics bureau said on Thursday.
- China's manufacturing activity unexpectedly contracted in May for the first time in 11 months and companies shed more jobs as demand weakened and shrinking factory prices dented profits, a private survey showed on Thursday.
- Any losses the Bank of Japan may incur when it eventually begins to tighten monetary policy will be temporary and would not be a serious problem for the economy, board member Yutaka Harada said on Thursday, seeking to address concerns of some market players.
- The European Central Bank will sound a little more optimistic on the economy at its June 8 meeting and could raise its assessment of risks to balanced or begin discussing shift from its bias to ease policy, a Reuters poll of economists showed.
- British manufacturing chalked up its second-fastest growth in nearly three years last month, putting the sector on track to shrug off election and Brexit-related uncertainty and improve on a weak first-quarter performance, a survey showed on Thursday.
- The Federal Reserve sent a strong signal on Thursday that it will raise interest rates this month and soon begin shedding some of its \$4.5 trillion in bond holdings, despite some weak recent U.S. inflation readings.

### GLOBAL MARKETS

**Asia** – Asian shares, as measured by MSCI's main index of Asia-Pacific shares, excluding Japan rose 0.1 percent, though gains were limited by data showing Chinese factory activity contracted in May for the first time in 11 months.

Chinese Shanghai Composite share index fell 0.5 percent after a private survey of the manufacturing sector. The findings contrasted with official data on Wednesday that suggested growth remained steady.

China's yuan, however, strengthened beyond 6.8 per dollar for the first time since Nov. 11 after the central bank pushed its reference rate, around which the spot rate can fluctuate, 0.8 percent higher in the second-largest single-day appreciation of the currency since it was depegged from the dollar in 2005.

**Euro Zone** – European shares inched up on Thursday, with blue chips in Milan taking the lead after better than expected Italian economic growth helped markets shrug off political worries.

Italy's economy grew 0.4 percent in the first quarter thanks to firm domestic demand, the statistics bureau said, sharply raising a preliminary estimate and improving prospects for the year.

The pan-European STOXX 600 index gained 0.4 percent, while Italy's FTSE MIB rose 1 percent after the data prompted renewed interest in Italian stocks as investors seemed to recover from rattled nerves earlier this week over a possible early election and the rescue of two ailing regional banks.

"The data is better than expected. It's good news," said Prometeia economist Stefania Tomasini. "The recovery is helped by an acceleration of household consumption while the slowdown to investment was a disappointment."

Italian banks rose 1.2 percent, having been among the hardest hit by this week's drop. UniCredit rose 0.6 percent after HSBC raised its target on the stock on optimism about the heavyweight lender's restructuring plan.

"The first quarter results were the first chance we got to take a glimpse at execution with management able to tick all boxes ... At the same time, core revenues continue to perform well," HSBC analyst Jason Kepaptsoglou said in a note.

Adding to a healthier picture, Rome and the European Commission reached a preliminary agreement on a state bailout for problem bank Monte dei Paschi di Siena.

This contrasted with the mood in Spain, where Banco Popular plunged 17.7 percent after a European watchdog warned EU officials the Spanish bank may need to be wound down if it fails to find a buyer.

Spain's IBEX lagged European neighbours.

On the stock-specific level, praise heaped on Nokia by analysts boosted the phone company and helped push France's CAC 40 up 0.8 percent.

Nokia shares rose 3.2 percent, adding to their gains since last week's resolution of a long-running patent dispute with Apple.

A JP Morgan analyst said the telecom equipment market should provide the next leg of growth for Nokia, which on Wednesday re-launched its classic 3310 "brick" phone in its home market of Finland.

Fiat Chrysler jumped 4.7 percent after its car sales in the U.S. exceeded expectations.

Clinical care company Elekta dropped 8.1 percent after it reported a surprise drop in fourth-quarter earnings and order intake.

In London, strength in large exporters helped the benchmark FTSE 100 index inch back towards an all-time high.

Inmarsat gained 4.8 percent, and France's SES and Eutelsat also rose sharply on speculation they could be takeover targets, after sources said that Softbank would let its planned \$14 billion merger between satellite startup OneWeb and Intelsat collapse.

Akzo Nobel fell 1.2 percent after U.S. rival PPG Industries said it would not launch a formal bid for Akzo after repeated informal offers were rejected.

**U.S. & Global Markets** – Major world stock markets rose on Thursday, with the S&P 500 and Nasdaq hitting record highs on encouraging U.S. economic data, while oil prices stabilized near three-week lows following a bigger-than-expected drop in U.S. crude inventories.

Surprisingly strong data on U.S. private jobs growth and factory activity in May revived traders' appetite for the dollar and reduced the safe-haven appeal of gold and U.S. and German government bonds.

The Institute for Supply Management said its barometer of U.S. factory activity edged up to 54.9 last month from 54.8 in April, while ADP reported private payrolls grew by 253,000 last month, beating analysts' median forecast of a 185,000 increase.

These reports led traders to almost fully price in chances that the Federal Reserve will raise interest rates at its June 13-14 policy meeting. They also supported the outlook for possibly another hike after June.

"We think it's consistent with continued progress in the economy and possibly a hike in September," said John Herrmann, director of interest rates strategy at MUFG Securities in New York.

If the U.S. government's payroll report for May were to show another solid pickup in hiring, it would cement expectations that a rate hike in less than two weeks is a done deal.

"I don't think it locks in payrolls are going to be good, it's more of payrolls aren't going to be a disaster," said JJ Kinahan, chief market strategist at TD Ameritrade in Chicago.

The Dow Jones Industrial Average rose 135.53 points, or 0.65 percent, to 21,144.18, the S&P 500 gained 18.26 points, or 0.76 percent, to 2,430.06 and the Nasdaq Composite added 48.31 points, or 0.78 percent, to 6,246.83.

The S&P and Nasdaq reached intraday record peaks at 2,429.95 and 6,247.07, respectively.

Europe's broad FTSEurofirst 300 index ended up 0.39 percent, at 1,538.07. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.67 point or 0.13 percent, to 498.49.

The MSCI world equity index, which tracks shares in 45 nations, rose 2.41 points or 0.52 percent, to 466.2.

The dollar index, which tracks the greenback versus a basket of six currencies, rose 0.28 percent, to 97.197.

China's yuan strengthened beyond 6.8 per dollar for the first time since Nov. 11 after the central bank pushed its reference rate, around which the spot rate can fluctuate, 0.8 percent higher. It was the second-largest single-day appreciation of the currency since it was unpegged from the dollar in 2005.

In the bond market, benchmark 10-year Treasury yields were up 2 basis points at 2.215 percent, while the German counterpart was marginally higher at 0.302 percent. *(Source Reuters – @her1en)*

## **GLOBAL ECONOMIES**

**Australia** – Australian business investment rose modestly in January-March after four straight declining quarters while April's retail sales rebounded vigorously from a tepid start to the year.

Figures from the Australian Bureau of Statistics (ABS) out on Thursday showed capital investment rose 0.3 percent in the first quarter to nearly A\$28 billion (\$20.7 billion) compared with expectations of a rise of 0.8 percent.

Spending by miners rose 0.5 percent in the quarter, the first increase since June 2014.

"We now know that the mining capex downturn is very close to done," said Su-Lin Ong, senior economist at RBC Capital.

"Non-mining plans are slightly positive so that's heading in the right direction. We are still waiting for stronger signs that the services sector is picking up the slack from mining."

Importantly, spending on equipment, plant and machinery surprisingly edged lower in the first quarter, anchoring expectations that the economy all but stalled in the period.

The ABS said on Thursday that real retail sales rebounded 1.0 percent in April, topping expectations of a gain of 0.3 percent and reversing a revised 0.2 percent fall in March.

The bounce-back will provide some comfort to the Reserve Bank of Australia (RBA) which has worried about the effect excessive borrowing in the red-hot property sector could have on spending elsewhere in the economy.

It also coincides with a downturn in home prices in Australia's capital cities. Prices fell 1.1 percent in May as regulatory pressure on banks to curb riskier lending appeared to rein in demand.

RBA Governor Philip Lowe has warned that high levels of household borrowing could curtail spending should consumers decide they have to put more aside to pay off debt.

Indeed, retail sales have been subdued over the past year or so, gaining 0.2 percent on average this year, reflecting wage growth stuck at a record low 1.9 percent and surging household debt.

The retail sector accounts for about 17 percent of Australia's A\$1.7 trillion annual economic output, and is the second-biggest employer after healthcare.

Thursday's data showed a 3.6 percent rise in liquor sales, a 1.1 percent gain in eating out, and a 1.2 percent rise in food retailing. Sales at department stores climbed 2.5 percent.

"We suspect these rises were partly from stronger Easter-related trading. We don't look for a repeat in May though," said Citi economist Josh Williamson.

Economists believe April retail sales may have been distorted by the aftermath of a devastating cyclone that hit Queensland state at the end of March.

Retail sales were up 2.4 percent in Queensland after five consecutive months of falls as households replaced cyclone- and flood-damaged possessions.

Retail sales in New South Wales, Australia's most populous state and home to its most expensive housing, rose 0.1 percent.

**New Zealand** – New Zealand's terms of trade reached its highest level in 40 years in the first quarter of 2017 as a recovery in the dairy sector helped to strengthen the country's purchasing power abroad, the national statistics bureau said on Thursday.

The country's terms of trade jumped 5.1 percent to the highest level since June 1973, Statistics New Zealand said, but was below the growth in the last quarter of 2016 when it rose 5.7 percent, its strongest rate in more than three years.

Michael Gordon, acting chief economist at Westpac, said the return of dairy prices to average levels and a general trend of decline in import prices had pushed the terms of trade to new highs. Dairy is the country's largest goods export earner, accounting for around 7 percent of gross domestic product.

"Over the last year, we've had a strong rebound in dairy prices which is our major export product so that's contributed to the strong growth in the export price index," he said.

"The other factor is that import prices have generally been on a trend decline for several years now so while we did see an increase this quarter, it was largely around the rebound in oil prices we've seen globally."

Export prices jumped 8 percent in the first quarter, buoyed by an 18 percent rise in dairy prices, which had come under pressure last year.

Import prices rose by a more modest 2.7 percent in the quarter, due to higher crude oil prices, the statistics office said. Import prices have fallen by about a quarter since the end of 2008, it noted.

**China** – China's manufacturing activity unexpectedly contracted in May for the first time in 11 months and companies shed more jobs as demand weakened and shrinking factory prices dented profits, a private survey showed on Thursday.

The Caixin/Markit Manufacturing Purchasing Managers' index (PMI) fell to 49.6, below the 50-point mark which demarcates growth and contraction on a monthly basis.

That was less than economists' forecast of 50.1 and April's 50.3, extending a streak of declines to three months since a reading of 51.7 in February.

The findings sharply contrast with official readings on Wednesday which showed steady manufacturing growth, but the Caixin report tends to focus on smaller firms which are not believed to be benefiting as much from a construction boom as large state-owned companies and industries such as steel mills.

The divergence may suggest that much of China's recent economic strength remains strongly dependent on heavy industry and continued government stimulus, with other sectors facing more challenging business conditions.

"China's manufacturing sector has come under greater pressure in May and the economy is clearly on a downward trajectory," Zhengsheng Zhong, director of macroeconomic analysis at CEBM Group, said in a note accompanying the Caixin survey.

Demand faltered in May as total new orders fell to 50.3 - the lowest level in 11 months - from the previous month's 51.0. The rate of expansion in new export orders also weakened significantly, showing only marginal growth.

Slower sales saw inventories of finished goods expand for the first time since December 2016, suggesting companies have stopped actively restocking, CEBM Group's Zhong said.

**Japan** – Any losses the Bank of Japan may incur when it eventually begins to tighten monetary policy will be temporary and would not be a serious problem for the economy, board member Yutaka Harada said on Thursday, seeking to address concerns of some market players.

When the BOJ does tighten policy, it will sell its bond holdings and raise the interest it pays on the excess reserves to mop up liquidity from markets, Harada said.

"It is of course possible that the BOJ may register losses because it will receive low interest rates while paying high interest rates," Harada said.

But government bond yields would be higher when inflation is accelerating enough for the BOJ to withdraw stimulus, he told business leaders in Gifu, central Japan.

"The BOJ will always make a profit in the long run as it can buy high-yielding government bonds using cash and current account deposits that carry almost no cost," he said.

"Thus, the BOJ will not make potentially dangerous losses in the long run."

Harada, among the most vocal advocates of heavy money printing in the nine-member board, also said the BOJ must maintain a loose pledge to keep buying bonds so the balance of its holdings rise at 80 trillion yen (\$721 billion) per year.

"Maintaining the guidance is important as it instills confidence among markets" that the BOJ will keep buying bonds heavily when a negative shock hits the economy, he said.

After three years of heavy asset buying failed to drive up inflation, the BOJ revamped its policy framework last year to one controlling the yield curve from that targeting the pace of money printing.

Under the framework, the BOJ guides short-term rates at minus 0.1 percent and 10-year bond yields around zero percent.

It also maintains a pledge to increase its bond holdings at an annual pace of 80 trillion yen. Some analysts believe the BOJ will soon modify or

abandon the pledge as the pace of bond buying has recently slowed to around 60 trillion yen.

"The BOJ's recent purchases are roughly in line with its guidance," Harada later told a news conference, shrugging off the view the slowdown in the BOJ's bond buying is inconsistent with its bond-buying pledge.

"For the time being, maintaining our current stimulus programme would be sufficient in achieving our inflation target," he added.

The BOJ's balance sheet swelled after the adoption in 2013 of its "quantitative and qualitative easing" (QQE) programme that aimed to accelerate inflation to 2 percent through huge purchases of government bonds and private assets.

The central bank added negative interest rates to QQE in January 2016 and revamped its policy framework in September to one that aims to control the yield curve.

On the prospects for prices, Harada said he expects inflation to accelerate as the jobless rate nears 2 percent.

Inflation is now barely picking up due to weak private consumption and is nowhere near the BOJ's target of 2 percent.

"Japan's jobless rate has already fallen to 2.8 percent. If this trend continues and the jobless rate falls further, there's no doubt prices will rise," he said.

A former academic, Harada has voted with the majority of the board since joining the BOJ in 2015.

Growing signs of life in Japan's economy have presented the BOJ with a fresh communications challenge, pushing it to be clearer with markets on how it might scale back its stimulus - even though such action remains a long way off.

The central bank saw interest payments on its huge bond holdings decline for the first time in five years in the fiscal year that ended in March, a sign that its ultra-loose monetary policy was taking a toll on its financial health.

**Euro Zone** – The European Central Bank will sound a little more optimistic on the economy at its June 8 meeting and could raise its assessment of risks to balanced or begin discussing shift from its bias to ease policy, a Reuters poll of economists showed.

The central bank is not likely to signal any change yet to the pace of its asset purchases, which will continue at 60 billion euros per month until December. And fewer than 10 percent of the regular survey panel said the ECB would drop the possibility of increasing those purchases.

While the latest poll of over 65 economists taken in the past week showed the euro zone economy will hum along at a decent pace of growth, their own modest assessment of the outlook for growth and inflation was not changed in any significant way.

That suggests there is still some way to go before the central bank decides that it needs to remove its extraordinary stimulus to the euro area economy. ECB President Mario Draghi said on Monday interest rates need to stay at record low levels despite the resurgence in the economy.

"This makes for a difficult situation for the ECB, as robust growth and weak price pressures bring about diverging expectations of policy," said Bert Colijn, senior economist at ING.

"The ECB will be cautious with its plans for monetary policy to avoid a 'taper tantrum', but a change in communication on the balance of risk and forward guidance can be expected next week."

Almost 90 percent of the respondents who answered an extra question said the central bank is likely to change its guidance or risk assessment at the June 8 meeting.

The central bank is expected to do that by declaring economic risks broadly balanced and removing the reference to lower rates in its communication.

That is in line with a separate exclusive Reuters story based on four sources.

The latest preliminary data showed euro zone inflation eased by more than expected in May, supporting policymakers' views that only small adjustments should be made to stimulus and rates.

"May's weak inflation rate suggests that the ECB is unlikely to be in any rush to change anything more than communication," added ING's Colijn.

With euro zone economic growth on its best run since the bloc's crisis a decade ago, conservative countries may pressurize the ECB to start planning an exit from its ultra-easy policy, setting up June as a potentially key meeting.

While a surprise burst of 0.5 percent quarterly growth in the first-quarter improved market sentiment and optimism about the euro zone economy, the outlook has remained somewhat similar.

The latest poll showed a stable quarterly growth rate of 0.4 percent in each quarter from the second half of this year to end-2018, which is not enough to bring inflation back to the ECB's target of close to 2 percent.

Inflation is forecast to average 1.6 percent this year before easing to 1.5 percent next. But it is not expected to hit the central bank's target even in 2019.

When asked what could steer the euro zone economy off course from its current growth path a majority of economists picked a premature removal of ECB stimulus and a rising instability in debt markets.

Some economists also chose a stronger euro as a reason for the euro zone economy to stutter.

The recent resurgence in the economy has coincided with a weaker currency and if the single currency strengthens then that could weigh.

**UK** – British manufacturing chalked up its second-fastest growth in nearly three years last month, putting the sector on track to shrug off election and Brexit-related uncertainty and improve on a weak first-quarter performance, a survey showed on Thursday.

The Markit/CIPS manufacturing purchasing managers' index (PMI) slipped to 56.7 in May from a three-year high in April. Aside from the previous month's PMI, that was its strongest reading since June 2014.

"On this basis, the sector should have sufficient momentum to see it through the uncertainty generated by the current unexpected general election and into the start of Brexit negotiations," IHS Markit economist Rob Dobson said.

Britons vote in a week's time in an early national election called by Prime Minister Theresa May to bolster her standing before nearly two years of talks to leave the European Union.

At the start of the campaign in April, May seemed on track to win an increased majority. But polls over the past week show the opposition Labour Party has eaten into her lead.

May has highlighted the record number of people in work in her campaign, and Thursday's figures showed that manufacturers planned to hire staff at the fastest pace in nearly three years.

Companies wanted extra staff to handle new orders and increase capacity, Markit said, as backlogs of work lengthened by the most in six years.

The upbeat tone contrasts with gloomy official figures for the first three months of the year, when factory output inched up by just 0.3 percent.

The broader economy also struggled earlier this year as consumers felt squeezed by rising inflation, driven in large part by sterling's fall of more than 10 percent after last year's vote to leave the European Union.

Almost all economists expect inflation pressures on consumers to intensify later this year, but the silver lining of a weak currency - more competitive exports - is proving elusive.

"The trend in foreign demand (is) continuing to improve only in fits and starts, despite the assistance of a historically weak sterling exchange rate," Dobson said.

Manufacturers in the PMI survey reported a "solid" increase in foreign demand, but domestic orders rose faster and companies reported strong growth in production for both business customers and consumers.

Overall, orders were growing at the second-fastest rate in the past three years, just off April's peak - matching similar upbeat results in a survey by the Confederation of British Industry earlier this month.

Factories' raw material costs continued to rise, reflecting sterling's weakness and higher global commodity prices, but the increase was slower than before, Markit said.

**U.S.** – The Federal Reserve sent a strong signal on Thursday that it will raise interest rates this month and soon begin shedding some of its \$4.5 trillion in bond holdings, despite some weak recent U.S. inflation readings.

Fed Governor Jerome Powell, an influential policymaker and among the last to speak publicly before a mid-June policy meeting, said the U.S. economy was "healthy" and the central bank should continue to edge toward a more normal footing after nearly a decade of crisis-era stimulus. "While the recent performance of the labor market might warrant a faster pace of tightening, inflation has been below target for five years and has moved up only slowly toward 2 percent, which argues for continued patience, especially if that progress slows or stalls," said Powell, one of four governors at the Fed Board.

"If the economy performs about as expected, I would view it as appropriate to continue to gradually raise rates," he added without mentioning the June 13-14 meeting, when the Fed is widely expected to raise rates for the third time in six months.

Two months of weaker-than-expected price readings have spurred concern that the Fed, which has a 2 percent inflation target, could delay two more planned rate hikes this year. Its preferred measure was 1.5 percent in April.

Powell said the gradual inflation rise "appears to have paused" due in part to temporary factors, "and there are good reasons to expect that inflation will resume its gradual rise."

"Today, the economy is as close to our assigned goals as it has been for many years," he said, reinforcing similarly upbeat remarks on Tuesday in New York by Fed Governor Lael Brainard.

Turning to the plan to begin shedding bonds later this year, which risks a surge in market yields if the Fed surprises investors, Powell said the market's so-far muted response "suggests that there need not be a major reaction" when the process begins.

"If changes to reinvestment policy do tighten financial conditions more than anticipated, then I expect that the (Fed) would take that into account," he said at the Economic Club of New York, nodding to the possibility that rate hikes could be delayed in that case.

Powell pointed to studies suggesting the Fed could ultimately shrink the portfolio to between \$2.4 trillion and \$2.9 trillion after several years.

*(Source Reuters, Research – @her1en)*



## WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.	
<b>Mon/29-May-17</b>	08:15	US	Fed's Williams Speaks in Singapore						
	15:00	EZ	M3 Money Supply YoY	Apr	4.9%	5.2%	5.3%		
			Draghi Speaks at European Parliament Economic Committee						
	20:00	EZ							
	<b>All Day</b>	<b>CN</b>	<b>Bank Holiday/Dragon Boat Festival</b>						
	<b>All Day</b>	<b>DE</b>	<b>UK Bank Holiday</b>						
<b>All Day</b>	<b>GB</b>	<b>Bank Holiday/Spring Bank Holiday</b>							
<b>All Day</b>	<b>US</b>	<b>Bank Holiday/Memorial Day</b>							
<b>Tue/30-May-17</b>	05:45	NZ	Building Permits MoM	Apr	-7.6%	--	-1.8%	-1.2%	
	06:30	AU	ANZ Roy Morgan Weekly Consumer Confidence Index	May-28		--	110.5		
	06:30	JP	Jobless Rate	Apr	2.8%	2.8%	2.8%		
	06:30	JP	Job-To-Aplicant Ratio	Apr	1.48	1.46	1.45		
	06:30	JP	Overall Household Spending YoY	Apr	-1.4%	-0.7%	-1.3%		
	06:50	JP	Retail Sales MoM	Apr	1.4%	0.1%	0.2%		
	08:30	AU	Building Approvals MoM	Apr	4.4%	3.0%	-13.4%	-10.3%	
	08:30	AU	Building Approvals YoY	Apr	-17.2%	-18.1%	-19.9%		
	14:00	CH	KOF Leading Indicator	May	101.6	--	106	106.3	
	16:00	EZ	Economic Confidence	May	109.2	110.0	109.6	109.7	
	16:00	EZ	Business Climate Indicator	May	0.90	1.11	1.09	1.10	
	16:00	EZ	Industrial Confidence	May	2.8	3.2	2.6		
	16:00	EZ	Services Confidence	May	13.0	14.2	14.2		
	16:00	EZ	Consumer Confidence	May F	-3.3	-3.3	-3.3	-3.6	
	19:00	DE	CPI MoM	May P	-0.2%	-0.1%	0.0%		
	19:00	DE	CPI YoY	May P	1.5%	1.6%	2.0%		
	19:00	DE	CPI EU Harmonized MoM	May P	-0.2%	-0.1%	0.0%		
	19:00	DE	CPI EU Harmonized YoY	May P	1.4%	1.6%	2.0%		
	19:30	CA	Current Account Balance	1Q	-\$14.05b	-\$12.00b	-\$10.73b	-\$11.78b	
	19:30	US	Personal Income	Apr	0.4%	0.4%	0.2%		
	19:30	US	Personal Spending	Apr	0.4%	0.4%	0.0%	0.3%	
	19:30	US	Real Personal Spending	Apr	0.2%	0.2%	0.3%	0.5%	
	19:30	US	PCE Deflator MoM	Apr	0.2%	0.2%	-0.2%		
	19:30	US	PCE Deflator YoY	Apr	1.7%	1.7%	1.8%	1.9%	
	19:30	US	PCE Core MoM	Apr	0.2%	0.1%	-0.1%		
	19:30	US	PCE Core YoY	Apr	1.5%	1.5%	1.6%		
	21:00	US	Consumer Confidence	May	117.9	119.5	120.3	119.4	
	21:30	US	Dallas Fed Manf. Activity	May	17.2	15	16.8		
	<b>All Day</b>	<b>CN</b>	<b>Bank Holiday/Dragon Boat Festival</b>						
	<b>Wed/31-May-17</b>	04:00	KR	Business Survey Manufacturing	Jun	-	--	84	
		04:00	KR	Business Survey Non-Manufacturing	Jun	-	--	78	
		06:00	KR	Industrial Production SA MoM	Apr	-2.2%	0.8%	1.0%	1.2%
06:00		KR	Industrial Production YoY	Apr	1.7%	5.0%	3.0%	3.3%	
06:01		GB	GfK Consumer Confidence	May	-5	-8	-7		
06:50		JP	Industrial Production MoM	Apr P	4.0%	4.2%	-1.9%		
06:50		JP	Industrial Production YoY	Apr P	5.7%	6.1%	3.5%		
08:00		CN	Manufacturing PMI	May	51.2	51	51.2		
08:00		CN	Non-manufacturing PMI	May	54.5	--	54		
08:00		NZ	ANZ Activity Outlook	May	38.3	--	37.7		
08:00		NZ	ANZ Business Confidence	May	14.9	--	11		
14:55		DE	Unemployment Change (000's)	May	-9k	-15k	-15k		
14:55		DE	Unemployment Claims Rate SA	May	5.7%	5.8%	5.8%		
16:00		EZ	Unemployment Rate	Apr	9.3%	9.4%	9.5%	9.4%	
16:00		EZ	CPI Estimate YoY	May	1.4%	1.5%	1.9%		
16:00		EZ	CPI Core YoY	May A	1.0%	1.0%	1.2%		
19:00		US	Fed's Kaplan Speaks in New York						
19:30		CA	Quarterly GDP Annualized	1Q	3.7%	3.9%	2.6%	2.7%	

	19:30	CA	GDP MoM	Mar	0.5%	0.2%	0.0%	
	19:30	CA	GDP YoY	Mar	3.2%	2.9%	2.5%	2.4%
	19:30	DE	Merkel, Lautenschlaeger Address German Credit-Union Conference					
	21:00	US	Pending Home Sales MoM	Apr	-1.3%	0.5%	-0.8%	-0.9%
	21:00	US	Pending Home Sales NSA YoY	Apr	-5.4%	--	0.5%	
<b>Thu/01-Jun-17</b>	01:00	US	U.S. Federal Reserve Releases Beige Book					
	05:45	NZ	Terms of Trade Index QoQ	1Q	5.1%	3.9%	5.7%	
	06:00	KR	CPI MoM	May	0.1%	0.1%	-0.1%	
	06:00	KR	CPI YoY	May	2.0%	1.95%	1.9%	
	06:00	KR	CPI Core YoY	May	-	1.4%	1.3%	
	06:30	AU	AiG Perf of Mfg Index	May	54.8	--	59.2	
	07:00	KR	Exports YoY	May	-	16.5%	24.2%	
	07:00	KR	Imports YoY	May	-	14.0%	16.6%	
	07:00	KR	Trade Balance	May	-	\$7180m	\$13300m	
	07:10	US	Fed's Williams Speaks in Seoul					
	07:30	JP	Nikkei Japan PMI Mfg	May F	53.1	--	52	
	07:30	KR	Nikkei South Korea PMI Mfg	May	49.2	--	49.4	
	08:30	AU	Private Capital Expenditure	1Q	0.3%	0.8%	-2.1%	-1.0%
	08:30	AU	Retail Sales MoM	Apr	1.0%	0.3%	-0.1%	-0.2%
	08:30	JP	BOJ Harada speaks in Gifu					
	08:45	CN	Caixin China PMI Mfg	May	49.6	50.1	50.3	
	12:45	CH	GDP QoQ	1Q	0.3%	0.4%	0.1%	0.2%
	12:45	CH	GDP YoY	1Q	1.1%	--	0.6%	0.7%
	14:15	EZ	ECB's Villeroy Speaks at Brussels Economic Forum in Brussels					
	N/A	EZ	China's Li Meets With EU's Tusk, Juncker in Brussels					
	N/A	EZ	EU-China Summit in Brussels June 1-2					
	14:15	CH	Retail Sales Real YoY	Apr	-1.2%	--	2.1%	
	14:30	CH	PMI Manufacturing	May	55.6	--	57.4	
	14:55	DE	Markit/BME Germany Manufacturing PMI	May F	59.5	59.4	59.4	
	15:00	EZ	Markit Eurozone Manufacturing PMI	May F	57	57	57	
	15:30	HK	Retail Sales Value YoY	Apr	0.1%	2.8%	3.1%	
	15:30	HK	Retail Sales Volume YoY	Apr	-	2.5%	2.7%	
	15:30	GB	Markit UK PMI Manufacturing SA	May	56.7	56.5	57.3	
	16:00	EZ	EU's Dombrovskis Speaks at Brussels Economic Forum					
	16:00	EZ	ECB's Hakkarainen, Costa, EBA's Enria Speak in Lisbon					
	19:00	EZ	EU's Moscovici Speaks at Brussels Economic Forum in Brussels					
	19:00	EZ	Italy's Padoan on Panel at Brussels Economic Forum in Brussels					
	19:00	US	Fed's Powell Speaks on Normalization of Monetary Policy					
	19:15	US	ADP Employment Change	May	253.0k	185k	177k	174k
	19:30	US	Initial Jobless Claims	w/e	248k	239k	234k	235k
	19:30	US	Jobless Claims 4-wk Avg	w/e	238k	--	235.25k	235.5k
	19:30	US	Continuing Jobless Claims	w/e	1.915m	1.920m	1.923m	1.924m
	20:30	CA	Markit Canada Manufacturing PMI	May	55.1	--	55.9	
	20:45	US	Markit US Manufacturing PMI	May F	52.7	--	52.5	
	21:00	US	ISM Manufacturing	May	54.9	54.5	54.8	
	21:00	US	ISM Prices Paid	May	60.5	66.4	68.5	
	21:00	US	ISM New Orders	May	59.5	--	57.5	
	21:00	US	ISM Employment	May	53.5	52.8	52	
	21:00	US	Construction Spending MoM	Apr	-1.4%	0.5%	-0.2%	1.1%
	22:00	US	EIA Weekly Crude Stocks	w/e	-6.428m	-2.517m	-4.432m	
	22:00	US	EIA Weekly Dist. Stocks	w/e	0.394m	-0.755m	-0.485m	
	22:00	US	EIA Weekly Gasoline Stocks	w/e	-2.858m	-1.091m	-0.787m	
<b>Fri/02-Jun-17</b>	06:00	KR	GDP SA QoQ	1Q F	1.1%	0.9%	0.9%	
	06:00	KR	GDP YoY	1Q F	2.9%	2.7%	2.7%	
	06:50	JP	Monetary Base YoY	May		--	19.8%	

	06:50	JP	Monetary Base End of period	May		--	¥462.2t	
	08:00	AU	HIA New Home Sales MoM	Apr		--	-1.1%	
	12:00	JP	Consumer Confidence Index	May		43.5	43.2	
	N/A	GB	United Kingdom Sovereign Debt to be rated by Moody's					
	15:30	GB	Markit/CIPS UK Construction PMI	May		52.7	53.1	
	16:00	EZ	PPI MoM	Apr		0.3%	-0.3%	
	16:00	EZ	PPI YoY	Apr		4.5%	3.9%	
	19:30	CA	Labor Productivity QoQ	1Q		--	0.4%	
	19:30	US	Change in Nonfarm Payrolls	May		185k	211k	
	19:30	US	Trade Balance	Apr		-\$46.1b	-\$43.7b	
	19:30	US	Two-Month Payroll Net Revision	May		--	-6k	
	19:30	US	Change in Private Payrolls	May		173k	194k	
	19:30	US	Change in Manufact. Payrolls	May		5k	6k	
	19:30	US	Unemployment Rate	May		4.4%	4.4%	
	19:30	US	Average Hourly Earnings MoM	May		0.2%	0.3%	
	19:30	US	Average Hourly Earnings YoY	May		2.7%	2.5%	
	19:30	US	Average Weekly Hours All Employees	May		34.4	34.4	
	19:30	US	Labor Force Participation Rate	May		--	62.9%	
	19:30	US	Underemployment Rate	May		--	8.6%	
<b>Sat/03-Jun-17</b>	00:00	US	Baker Hughes U.S. Rig Count	Jun-02		--	--	

(Source: Reuters-FXstreet-DailyFX- Tradingeconomics-forexfactory, Research: @LukmanLoeng,@her1en,@ErwinRiset)



## ASIAN STOCK INDICATORS – Daily Outlook

**Japan's Nikkei** share average gained on Thursday, snapping a four-day losing run, lifted by upbeat domestic data and a weaker yen. The Nikkei rose 1.1 percent to 19,860.03. Indicators released on Thursday showed domestic companies picked up the pace of capital expenditures in the January-March quarter, brightening sentiment towards the corporate Japan. The yen posted modest losses against the dollar, as its earlier run to a two-week high against the greenback was met with steady profit-taking. The broader Topix climbed 1.1 percent to 1,586.14 and the JPX-Nikkei Index 400 added 1.2 percent to 14,142.82.

**The South Korean won and shares** ended flat on Thursday as the market sentiment cooled, taking their cue from a weaker Wall Street and a slight fall in oil prices. Investors were also waiting for the U.S. non-farm payrolls report on Friday. The won was quoted at 1,122.0 to the dollar at the conclusion of onshore trade, down 0.2 percent versus Wednesday's close of 1,119.5. The Korea Composite Stock Price Index (KOSPI) closed down 0.1 percent at 2,344.61 points. Offshore investors offloaded a net 18.2 billion won (\$16.22 million) worth of KOSPI shares for the day.

**Hong Kong's benchmark stock** index finished on Thursday at a 23-month high, bolstered by property shares as Chinese money flowed steadily into the city's market. The Hang Seng index ended up 0.6 percent at 25,809.22, while the China Enterprises Index gained 0.2 percent, to 10,619.88 points. Investors ignored a private survey showing China's manufacturing activity contracted in May for the first time in 11 months. On Thursday, Chinese investors used up 27 percent of the daily quota under the Shanghai-Hong Kong Stock Connect to buy Hong Kong shares. Sentiment was also lifted by continuous strength in the property sector. An index tracking property shares jumped more than 1 percent to the highest closing level in nearly two years. China Evergrande Group gained 2 percent, after unveiling plans to raise \$5.8 billion.

Moody's Investors service said on Wednesday that most rated Chinese property developers will continue to outperform the broader market for the rest of 2017, despite continued regulatory tightening to control property price growth. The outperformance will be "driven mainly by their increased saleable resources, strong liquidity as well as their strong execution abilities, reputable brands and good project locations," wrote Kaven Tsang, a Moody's vice president.

**China stocks** started the month on a bearish note on Thursday after a private business survey showed manufacturing activity unexpectedly contracted in May, fuelling worries that the economy may be cooling more rapidly than expected. The blue-chip CSI300 index finished 0.1 percent higher at 3,497.74 points, while the Shanghai Composite Index lost 0.5 percent to 3,102.62 points. Small-cap stocks led the market's decline, with the closely-watched start-up board ChiNext slumping 2 percent to the lowest closing level in nearly 28 months. Sentiment was hit by the gloomy Caixin/Markit Manufacturing Purchasing Managers' index (PMI), which contrasted sharply with official readings on Wednesday that suggested a modest but steady pace of growth from the previous month. The index fell to 49.6, weaker than expected and below the 50-point mark which demarcates growth and contraction. The reading fell for the third month in a row. The fall in the Caixin index appears "consistent with the recent decline in the price of industrial metals" and is "consistent with our broader outlook on the Chinese economy," said Julian Evans-Pritchard, China Economist at Capital Economics, in a research report. "After all, we have long been warning that the rebound in growth during the second half of last year would prove short-lived." The upbeat mood of the previous session - triggered by regulators' share sale restrictions - also evaporated, as worries deepened about excessive government intervention. [\[Source Reuters, Research: @her1en\]](#)

### ASIA AND GLOBAL MARKET SPOT PRICE 2016

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	309.32 (29/May/2017)	31958.41 (30/Oct/07)	21169.11 (01/Mar/2017)	2400.98 (01/Mar/2017)	6124.04400 (16/Oct./07)
<b>2016 HIGH</b>	19592.90 (21/Dec/16)	264.42 (21/Dec/16)	24364.00 (09/Sep/16)	19987.63 (20/Dec/16)	2277.53 (13/Dec/16)	3538.68940 (04/Jan/16)
<b>2017 HIGH</b>	19998.49 (16/May/2017)	309.32 (29/May/2017)	<b>25817.95</b> <b>(31/May/2017)</b>	21169.11 (01/Mar/2017)	2418.71 (26/May/2017)	3295.18700 (07/Apr/2017)
<b>2017 LOW</b>	18224.68 (17/Apr/2017)	258.64 (02/Jan/2017)	21883.82 (03/Jan/2017)	19677.94 (19/Jan/2017)	2245.13 (03/Jan/2017)	3016.53050 (11/May/2017)
<b>2016 LOW</b>	14864.01 (24/Jun/16)	222.92 (20/Jan/16)	18278.80 (12/Feb/16)	15450.56 (20/Jan/16)	1810.10 (11/Feb/16)	2638.30160 (27/Jan/16)
<b>RECORD LOW</b>	85.25 (06/Jul/50)	31.96 (16/Jun/98)	58.61 (31/Aug/67)	388.20 (17/Jan/55)	132.93 (23/Nov./82)	325.92200 (29/Jul/94)

#### Closing Prices – 01 June 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	21144.18	↑ 135.53/ 0.65%	.N225	19860.03	↑ 209.46/1.06%
/.SPX	2430.06	↑ 18.26/ 0.75%	.KS200	304.03	↓ 0.64/0.21%
/.IXIC	6246.830	↑ 48.313/ 0.78%	.HSI	25809.22	↑ 148.57/0.58%
JPY=	111.34	↑ 0.59/ 0.53%	/.SSEC	3101.69830	↓ 15.47950/0.50%
KRW=	1120.97	↑ 2.32/ 0.21%	/Clc1 (Oil)	48.03	↓ 0.29/0.60%

**SSIamM7 (Nikkei Jun Futures) – Last Trading Date: 12 June 2017**



- Area 19600 is still effective to withstand pressure
- Short-term resistance at 20030  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
01 June SSIpmM7	19840	19950	19835	115	19945	---	↑ 90	0.45	25068
01 June SSIamM7	19695	19900	19660	240	19855	19855	↑ 190	0.97	60234
31 May SSIpmM7	19670	19710	19600	110	19680	---	↑ 15	0.08	26883
31 May SSIamM7	19640	19680	19585	95	19665	19665	UNCH	UNCH	36299
30 May SSIpmM7	19650	19680	19610	70	19635	---	↓ 30	0.15	17842
30 May SSIamM7	19715	19715	19565	150	19665	19665	↓ 25	0.13	37602
29 May SSIpmM7	19675	19695	19670	25	19690	---	UNCH	UNCH	3972
29 May SSIamM7	19720	19740	19625	115	19690	19690	↓ 15	0.08	28133
26 May SSIpmM7	19680	19720	19590	130	19715	---	↑ 10	0.05	22066
26 May SSIamM7	19775	19800	19680	120	19705	19705	↓ 110	0.56	35358

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
19950	19565	19950	19835	20030	19165	20030	18190
(01/Jun)	(30/May)	(01/Jun)	(01/Jun)	(09/May)	(01/May)	(09/May)	(17/Apr)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	20680	High Aug 19, 2015
	20340	High Aug 21, 2015
	20030	Reaction high on 1 D chart
	19995	Horizontal resistance
<b>SUPPORT</b>	19660	Low June 01
	19565	Horizontal support (hourly)
	19490	Reaction low (hourly)
	19280	Reaction low (hourly)
<b>RECOMMENDATION</b>	BUY	19980
	SELL	----
	STOP LOSS	19840
	TARGET	20150 20200

### KSM7 (Kospi Jun Futures) – Exp. Date: 08 June 2017



- The pivot line area at 303.80 is still effective to reduce pressure
  - Crucial support at 303.20
  - Short-term resistance at 306.40
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
01 June	304.70	305.45	303.15	2.30	304.25	304.25	↓ 0.90	0.29	194357
31 May	304.15	306.40	303.80	2.60	305.15	305.15	↑ 0.70	0.23	198417
30 May	307.00	307.15	303.20	3.95	304.45	304.45	↓ 2.45	0.80	238132
29 May	308.20	309.50	305.25	4.25	306.90	306.90	↓ 0.55	0.18	229693
26 May	305.60	308.75	305.20	3.55	307.45	307.45	↑ 1.85	0.61	264607
25 May	303.35	305.60	302.40	3.20	305.45	305.60	↑ 3.60	1.19	227780

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
309.50 (29/May)	303.15 (01/Jun)	305.45 (01/Jun)	303.15 (01/Jun)	309.50 (29/May)	288.65 (02/May)	309.50 (29/May)	259.25 (02/Jan)

#### ANALYSIS & RECOMMENDATION

RESISTANCE	310.88	50% Fib. Projection (Daily)
	309.50	High 29/May/2017
	307.15	High 30/May/2017
	306.40	Reaction high (hourly)
SUPPORT	303.15	Reaction low (hourly)
	301.15	Reaction low (hourly)
	299.00	Reaction low (hourly)
	295.80	Low 18/May/2017
RECOMMENDATION	BUY	----
	SELL	305.00
	STOP LOSS	307.00
	TARGET	303.30 302.70

### HSIM7 (Hang Seng June Futures) – Exp. Date: 29 June 2017



• Correction is currently facing the resistance area at 25723 after breakout of the pivot line area at 25422  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
01 June (HSIM7)	25479	25608	25415	193	25601	25601	↑ 120	0.47	100459
31 May (HSIM7)	25515	25623	25460	163	25481	25481	↓ 6	0.02	79419
30 May (HSIM7)		<b>H</b>	<b>O</b>	<b>L</b>	<b>I</b>	<b>D</b>	<b>A</b>	<b>Y</b>	
29 May (HSIM7)	25410	25555	25377	178	25487	25483	↑ 65	0.26	71261
26 May (HSIM7)	25455	25521	25385	136	25422	-	↓ 6	0.02	71777
26 May	25669	25723	25585	138	25625	25625	↓ 8	0.03	105608
25 May	25446	25666	25436	230	25632	25633	↑ 212	0.83	172666

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
25623	25377	25608	25415	25723	24220	25723	21863
(31/May)	(29/May)	(01/Jun)	(01/Jun)	(26/May)	(05/May)	(26/May)	(03/Jan)

#### ANALYSIS & RECOMMENDATION

RESISTANCE	27158	High May 26/2015
	26723	High 03/Jul/2015 (Weekly)
	26358	High 10/Jul/2015 (Weekly)
	25723	High 26/May/2017
SUPPORT	25415	Low June 01
	25299	Reaction low (hourly)
	25194	Reaction low (hourly)
	25028	Reaction low (hourly)
RECOMMENDATION	BUY	25700
	SELL	----
	STOP LOSS	25520
	TARGET	25890 25950

## CURRENCIES – *Daily Outlook*

### Dollar bounces back after strong U.S. private sector jobs report - Reuters News



The dollar rallied on Thursday after a report showed the U.S. economy created more private sector jobs than expected in May, bolstering expectations for an interest rate hike this month.

The U.S. unit hit session highs against major currencies such as the yen, euro, and Swiss franc following the jobs report, although it already traded higher ahead of the data.

The private sector employment report by payrolls processor ADP showed employers added 253,000 jobs last month. Economists surveyed by Reuters had forecast jobs gain of 185,000.

Other U.S. economic reports on were mixed, with U.S. jobless claims rising to 248,000, construction spending falling 1.4 percent, and the Institute for Supply Management's manufacturing index gaining slightly to 54.9. Interest rate futures after all the data priced in a 91 percent chance the Federal Reserve would hike rates in June. That was down a little bit from the previous day.

The dollar index was last up 0.3 percent at 97.18.

"There's still a lot of room to grow in the dollar," said Toronto-based Lennon Sweeting, chief market strategist, at forex and payments company XE.

"U.S. data expectations right now are pretty lofty. But as data continues to disappoint, expectations could shift and there would be opportunities for the data to surprise on the upside, which should lead to modest growth for the dollar."

In late trading, the dollar rose 0.5 percent to 111.29 yen, while the euro fell 0.2 percent to \$1.1214.

But the dollar's performance was overall disappointing so far this year, with the index down nearly 5 percent.

Some analysts were also skeptical about the ADP figures.

"Take this morning's estimate from ADP...with a huge grain of salt," said John Herrmann, rates strategist at MUFG Securities Americas in New York.

If the ADP's estimate of 253,000 jobs gained on a seasonally adjusted basis were accurate, then on a non-seasonally adjusted basis, the raw gain in private payrolls in May would have to be 996,000 jobs based on MUFG's models.

"Such a 996,000 month-on-month gain would be the third strongest May monthly gain in history."

Herrmann said that kind of private jobs gain was unrealistic.

Investors are now focused on Friay's U.S. non-farm payrolls report, with a Reuters poll showing a forecast of 185,000 in May.

James Chen, head of reasearch, at Forex.com in Bedminster, New Jersey said he expects a strong jobs report on Friday that would reinforce a Fed rate hike this month.

*(Source Reuters, Research – @her1en)*

## EUR/USD

Interest Rate: 0.00% (EU)/ 0.75%-1.00% (US)



- Daily RSI down
- With the resistance at 1.1430
- Important support at the 1.0970 level ([Research - @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
June 01	1.12417	1.12555	1.12009	54,6	1.12111	↓ 33,4	1.12445
May 31	1.11779	1.12510	1.11633	87,7	1.12445	↑ 60,6	1.11839
May 30	1.11377	1.12042	1.11084	95,8	1.11839	↑ 9,5	1.11744
May 29	1.11817	1.11887	1.11607	28,0	1.11744	↓ 1	1.11745
May 26	1.12071	1.12335	1.11594	74,1	1.11745	↓ 34,0	1.12085

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.12555	1.11084	1.12555	1.12009	1.12671	1.08379	1.12671	1.0342
(01/Jun)	(30/May)	(01/Jun)	(01/Jun)	(23/May)	(11/May)	(23/May)	(03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.1528	High May 04, 2016
	1.1432	High June 24, 2016
	1.1365	Reaction high on 1-H chart
	1.1299	High 09/Nov/2016
SUPPORT	1.1163	Low May 31
	1.1094	Low May 19
	1.0971	Low May 16
	1.0920	Low May 15
RECOMMENDATION	BUY	-----
	SELL	1.1240
	STOP LOSS	1.1305
	TARGET	1.1170 1.1140



## USD/JPY

Interest Rate: 0.75%-1.00% (US)/-0.1% (JP)



- Watch the crucial level at 110.84
  - Short-term resistance at 111.23 - 111.46
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
June 01	110.831	111.469	110.701	76,8	111.322	↑ 58,4	110.738
May 31	110.839	111.215	110.471	74,4	110.738	↓ 9,0	110.828
May 30	111.217	111.278	110.653	62,5	110.828	↓ 45,9	111.287
May 29	111.202	111.456	111.188	26,8	111.287	↑ 10,8	111.179
May 26	111.807	111.835	110.867	96,8	111.179	↓ 62,9	111.808

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
111.469 (01/Jun)	110.471 (31/May)	111.469 (01/Jun)	110.701 (01/Jun)	114.356 (10/May)	110.471 (31/May)	118.60 (03/Jan)	108.14 (17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	113.85	Reaction high (hourly)
	113.12	High 17/May/2017
	112.56	Reaction high (hourly)
	111.46	Reaction high (hourly)
SUPPORT	110.21	Low 18/May/2017 (Reaction low)
	109.57	Low 25/Apr/2017 (Reaction low)
	108.69	Low 20/Apr/2017
	108.11	Low 17/Apr/2017 (Bottom)
RECOMMENDATION	BUY	111.10
	SELL	----
	STOP LOSS	110.45
	TARGET	111.75 112.10

## GBP/USD

Interest Rate: 0.25% (GB) / 0.75%-1.00% (US)



- Moves quite volatile, with the support area at 1.2758 is still intact
- Rebound faces trendline resistance around 1.2950  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
June 01	1.28735	1.29147	1.28288	85,9	1.28791	↓ 7,0	1.28861
May 31	1.27970	1.29199	1.27678	152,1	1.28861	↑ 31,0	1.28551
May 30	1.28227	1.28872	1.27928	94,4	1.28551	↑ 18,6	1.28365
May 29	1.28154	1.28490	1.28099	39,1	1.28365	↑ 26,1	1.28104
May 26	1.29344	1.29400	1.27741	165,9	1.28104	↓ 122,7	1.29331

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.29199 (31/May)	1.27678 (31/May)	1.29147 (01/Jun)	1.28288 (01/Jun)	1.30466 (18/May)	1.27678 (31/May)	1.30466 (18/May)	1.1986 (16/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.3278	High 15/Sep/2016 (Reaction high)
	1.3120	High 22/Sep/2016
	1.3058	High 29/Sep/2016
	1.2947	High 26/Sep/2016
SUPPORT	1.2767	Low May 31
	1.2586	SMA200
	1.2513	Low 18/Apr/2017 (Reaction low)
	1.2477	Low 12/Apr/2017
RECOMMENDATION	BUY	1.2860
	SELL	----
	STOP LOSS	1.2795
	TARGET	1.2930 1.2960

## USD/CHF

Interest Rate: 0.75%-1.00% (US)/-1.25 to -0.25% (CH)



- Correction continues to breakout the support level at 0.9690
- Correction is facing crucial support at 0.9635, with strong support at 0.9542
- Beware of RSI is entering oversold zone  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
June 01	0.96757	0.97184	0.96693	49,1	0.97080	↑ 34,3	0.96737
May 31	0.97509	0.97601	0.96683	91,8	0.96737	↓ 67,2	0.97409
May 30	0.97850	0.98067	0.97361	70,6	0.97409	↓ 19,1	0.97600
May 29	0.97431	0.97666	0.97304	36,2	0.97600	↑ 14,9	0.97451
May 26	0.97273	0.97599	0.96951	64,8	0.97451	↑ 32,5	0.97126

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.98067 (30/May)	0.96683 (31/May)	0.97184 (01/Jun)	0.96693 (01/Jun)	1.00987 (11/May)	0.96683 (31/May)	1.0335 (03/Jan)	0.96683 (31/May)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.0107	High 14/Mar/2017 (horizontal resistance)
	0.9969	Pivot line
	0.9861	High 17/May/2017
	0.9808	High 30/May/2017
SUPPORT	0.9635	Pivot line
	0.9542	Low 09/Nov/2016 (Bottom)
	0.9532	Low 18/Aug/2016 (Bottom)
	0.9473	Low 15/Oct/2015 (Bottom)
RECOMMENDATION	BUY	----
	SELL	0.9720
	STOP LOSS	0.9785
	TARGET	0.9650 0.9620

## AUD/USD

Interest Rate: 1.5% (AU)/ 0.75%-1.00% (US)



- Daily RSI down
- Upperline around 0.7610, while lowerline at 0.7150  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
June 01	0.74300	0.74534	0.73699	83,5	0.73708	↓ 57,2	0.74280
May 31	0.74606	0.74745	0.74236	50,9	0.74280	↓ 34,5	0.74625
May 30	0.74382	0.74681	0.74150	53,1	0.74625	↑ 20,6	0.74419
May 29	0.74400	0.74491	0.74259	23,2	0.74419	↓ 5,5	0.74474
May 26	0.74537	0.74600	0.74209	39,1	0.74474	↓ 5,4	0.74528

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.74745 (31/May)	0.73699 (01/Jun)	0.74534 (01/Jun)	0.73699 (01/Jun)	0.75549 (02/May)	0.73277 (09/May)	0.7749 (21/Mar)	0.7182 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.7610	High 17/Apr/2017 (Reaction high)
	0.7591	High 24/Apr/2017 (Reaction high)
	0.7555	High 02/May/2017 (Reaction high)
	0.7517	High May 23
SUPPORT	0.7326	Low 09/May/2017
	0.7284	Low 06/Jan/2017
	0.7206	Low 04/Jan/2017
	0.7152	Reaction low on 1-H chart
ECOMMENDATION	BUY	-----
	SELL	0.7400
	STOP LOSS	0.7470
	TARGET	0.7320 0.7290

## NZD/USD

Interest Rate: 2.00% (NZ) / 0.75%-1.00% (US)



- Strong support at 0.6870
  - Important resistance at 0.7240
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
June 01	0.70819	0.70881	0.70572	30,9	0.70576	↓ 23,6	0.70812
May 31	0.70948	0.71209	0.70762	44,7	0.70812	↓ 12,5	0.70937
May 30	0.70498	0.71005	0.70340	66,5	0.70937	↑ 40,6	0.70531
May 29	0.70562	0.70873	0.70368	50,5	0.70531	↓ 17,2	0.70703
May 26	0.70155	0.70757	0.70057	70,0	0.70703	↑ 53,0	0.70173

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.71209	0.70340	0.70881	0.70572	0.71209	0.68166	0.7374	0.68166
(31/May)	(30/May)	(01/Jun)	(01/Jun)	(31/May)	(11/May)	(07/Feb)	(11/May)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	0.7402	High Nov 08, 2016
	0.7333	High Feb 08
	0.7239	High Feb 28
	0.7150	High 02/Mar/2017
<b>SUPPORT</b>	0.7005	Low May 26
	0.6987	Low May 24
	0.6910	Low May 22
	0.6876	Low May 17
<b>RECOMMENDATION</b>	BUY	-----
	SELL	0.7080
	STOP LOSS	0.7145
	TARGET	0.7010 0.6980

## EUR/JPY

Interest Rate: 0.00% (EU)/-0.1% (JP)



- Rebound tests crucial level at 124.56
- A significant breakout of the area could potentially support the rebound for test peak level at 125.80

[\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
June 01	124.598	125.063	124.441	62,2	124.822	↑ 28,0	124.542
May 31	123.900	124.562	123.702	86,0	124.542	↑ 56,8	123.974
May 30	123.872	124.367	123.129	123,8	123.974	↓ 38,1	124.355
May 29	124.339	124.616	124.197	41,9	124.355	↑ 11,9	124.236
May 26	125.325	125.401	124.140	126,1	124.236	↓ 110,3	125.339

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
125.063	123.129	125.063	124.441	125.787	121.334	125.787	114.87
(01/Jun)	(30/May)	(01/Jun)	(01/Jun)	(16/May)	(01/May)	(16/May)	(17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	126.47	High 28/Apr/2016 (Reaction high)
	125.80	High 16/May/2017 (Double Top)
	125.43	High 26/May/2017
	124.63	Reaction high (hourly)
SUPPORT	123.63	Reaction low (hourly)
	123.13	Low 30/May/2017
	122.54	Low 18/May/2017
	122.00	Pivot line
RECOMMENDATION	BUY	124.65
	SELL	----
	STOP LOSS	124.00
	TARGET	125.35
		125.65



## USD/CAD

Interest Rate: 0.75%-1.00% (US)/0.5% (CA)



- Rebound continues after the trendline support around 1.3415 remains intact
- Rebound faces the resistance area at 1.3540-1.3610  
[\(Research – @her1en\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.3445</b>	<b>1.3511</b>

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.3526 (01/Jun)	1.3424 (29/May)	1.3526 (01/Jun)	1.3470 (01/Jun)	1.3793 (05/May)	1.3385 (25/May)	1.3793 (05/May)	1.2967 (31/Jan)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.3741	Reaction high (hourly)
	1.3669	High 18/May/2017 (Reaction high)
	1.3610	High 19/May/2017
	1.3540	High 24/May/2017
<b>SUPPORT</b>	1.3424	Low 29/May/2017 (Reaction low)
	1.3385	Low 25/May/2017 (Reaction low)
	1.3220	Low 13/Apr/20174 (Bottom)
	1.3162	Low 28/Feb/2017
<b>RECOMMENDATION</b>	BUY	1.3490
	SELL	----
	STOP LOSS	1.3425
	TARGET	1.3560 – 1.3590

## Precious Metal – *Daily Outlook*

### Gold steadies as U.S. private-sector jobs data bolsters dollar - Reuters News



Gold prices eased on Thursday as the dollar rallied after a report showed that the U.S. economy created more private-sector jobs than expected in May, further strengthening expectations for an interest rate hike this month.

U.S. private employers added 253,000 jobs in May, above economists' expectations, a report by a payrolls processor showed on Thursday.

The ADP figures come ahead of the U.S. Labor Department's more comprehensive non-farm payrolls report on Friday, which includes both public- and private-sector employment.

Also weighing on gold was the firmer dollar index, which

extended gains after the ADP data, already supported by higher U.S. Treasury yields and solidifying expectations of a rise in U.S. interest rates this month.

"Given that a June rate hike is a mortal lock, it seems unlikely that tomorrow's employment report will have a major impact on metals," said Tai Wong, director of base and precious metals trading for BMO Capital Markets in New York. "The headline number is a volatile series and more attention will be paid on earnings as an indicator of future inflation, which could impact the chances of another hike later in the year."

Spot gold was down 0.04 percent at \$1,267.58 per ounce by 3:05 p.m. EDT (1905 GMT), having peaked the previous day at its strongest since April 25 at \$1,273.74.

U.S. gold futures fell 0.4 percent to settle at \$1,270.1.

Positive payroll data from the United States could mean the Fed will raise rates as expected at its June 13-14 meeting. Traders believe there is a 96 percent chance of a rate rise at the June policy meeting and a 50 percent chance of one more hike before the end of 2017, according to CME Group's FedWatch tool.

Demand for American Eagle gold coins remains lacklustre, data from the U.S. Mint showed, with sales for the first five months of the year tumbling 56 percent from the same period last year to 186,500 ounces.

Inflows into gold have also eased.

"While prices have gyrated around our price forecasts for much of the quarter, ETF flows have calmed notably – especially when viewed on a monthly basis," RBC Capital Markets said in a note.

"Overall, we expect ETF holdings to continue trend with prices, which given our relatively neutral view on a quarterly average basis means that holdings will slowly trend upwards from here, in our view."

Among other precious metals, silver fell 0.03 percent to \$17.28 an ounce after sinking to the lowest in a week at \$16.96.

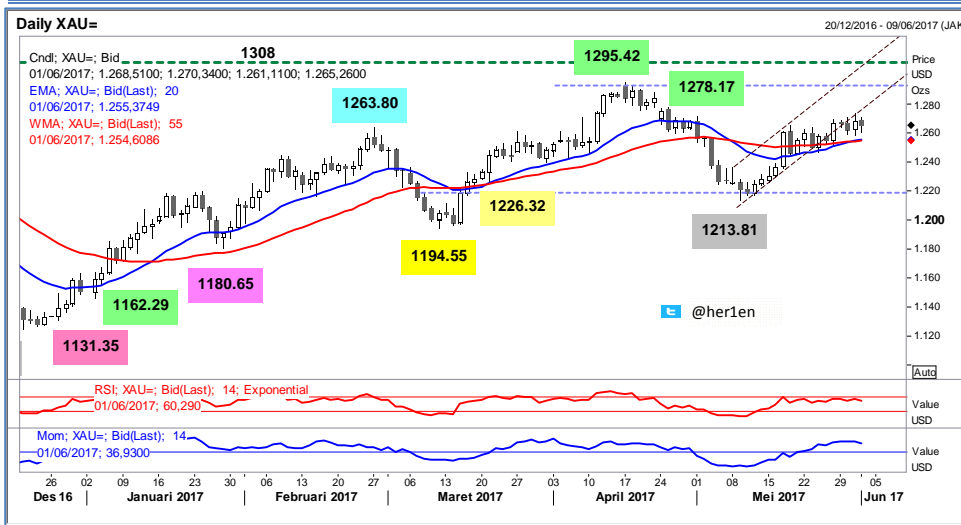
"The first five months of 2017 have witnessed a lack of clear direction in silver prices," said Metals Focus in a note.

"Since then, however, silver has had to contend with the competing forces of, on the one hand, rising US interest rates and a healthy domestic economy and, on the other, concerns about the U.S. administration's ability to fulfil its economic promises and global geopolitical concerns."

Palladium, which rose to the highest in a month earlier in the session, retreated to trade 1.07 percent higher at \$825.75. Platinum shed 1.4 percent to \$930.25 after sinking to a more than two-week low at \$922.50.

*(Source Reuters, Research – @her1en)*

## GOLD (XAU/USD)



- Daily RSI rises, be alert near the overbought area
- Important resistance at 1295 level
- Support at 1224  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
June 01	1268.700	1270.190	1261.380	8.81	1265.690	↓ 2.94	1268.630	1266.15	1264.85
May 31	1263.150	1273.960	1259.460	14.50	1268.630	↑ 5.88	1262.750	1263.80	1266.20
May 30	1266.680	1270.330	1259.250	11.08	1262.750	↓ 3.75	1266.500	1262.80	1262.70
May 29	1267.810	1268.600	1264.910	3.69	1266.500	↓ 2.42	1268.920	1265.00	1265.05
May 26	1255.340	1269.330	1252.970	16.36	1268.920	↑ 13.49	1255.430	1265.00	1265.05

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1273.960	1259.250	1270.190	1261.380	1273.960	1214.100	1295.42	1146.31
(31/May)	(30/May)	(01/Jun)	(01/Jun)	(31/May)	(09/May)	(17/Apr)	(03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	1308.00	Pivot line
	1295.42	High April 17
	1288.17	High 21/Apr/2017 (Reaction high)
	1278.17	High Apr 25
<b>SUPPORT</b>	1258.75	Low May 31
	1252.50	Low May 26
	1246.11	Low May 19
	1235.90	Low May 17
<b>RECOMMENDATION</b>	BUY	-----
	SELL	1267.00
	STOP LOSS	1276.00
	TARGET	1257.50 1252.00

## SILVER (XAG/USD)



- Continue the movement in the daily bullish trend channel
- Resistance at 18.00
- Important support at 16.55  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
June 01	17.307	17.362	16.989	0.37	17.723	↓ 0.03	17.306
May 31	17.371	17.410	17.219	0.19	17.306	↓ 0.08	17.383
May 30	17.369	17.453	17.197	0.26	17.383	FLAT	17.386
May 29	17.362	17.428	17.307	0.12	17.386	↑ 0.04	17.348
May 26	17.135	17.369	17.090	0.28	17.348	↑ 0.21	17.137

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.453	16.989	17.363	16.989	17.453	16.045	18.63	15.88
(30/May)	(01/Jun)	(01/Jun)	(01/Jun)	(30/May)	(09/May)	(17/Apr)	(03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	18.64	High Mar 17
	18.33	High Mar 19
	18.00	High Mar 25
	17.65	High Apr 26
SUPPORT	16.96	Low June 01
	16.85	Low May 24
	16.77	Low May 22
	16.54	Low May 19
ECOMMENDATION	BUY	----
	SELL	17.30
	STOP LOSS	17.60
	TARGET	16.95
		16.75

## OIL – Daily Outlook

### Oil mixed; global crude glut drags despite big U.S. inventory draw - Reuters News

Oil prices were mixed on Thursday, with Brent crude down on concerns that key producers were still adding to the global crude glut but U.S. crude up slightly after a larger-than-expected domestic inventory drawdown.

U.S. crude futures settled up 4 cents at \$48.36 a barrel, while Brent ended down 13 cents at \$50.63. After settlement, both benchmarks fell, failing to sustain the lift from the morning news of declining U.S. crude and gasoline stocks.

"Eight straight weeks of declining crude and the market is barely up," said Gene McGillian, manager of market research at Tradition Energy in Stamford, Connecticut. "The market is telling us that unless we have significant inventory draws, the idea that we're going to have stronger prices doesn't look to be realistic."

Weekly data from the U.S. Energy Information Administration (EIA) showed crude inventories dropped 6.4 million barrels, exceeding the 4.4 million-barrel drop forecast. Gasoline inventories also dropped sharply ahead of the start of the summer driving season, the EIA said.

On Wednesday, a Reuters survey found output from the Organization of the Petroleum Exporting Countries (OPEC) rose in May, the first monthly increase this year, as higher supply from two states exempt from a production-cutting deal, Nigeria and Libya, offset improved compliance with the accord by others.

U.S. production increased, and the expectation is that ongoing activity in U.S. shale will continue to boost output, offsetting OPEC efforts.

OPEC and other producers, including Russia, have agreed to restrict output by 1.8 million bpd to drain stockpiles that are close to record highs in many parts of the world.

U.S. production is closing in on levels from top producers Russia and Saudi Arabia. It hit 9.34 million bpd last week, highest since August 2015.

In Libya, output has recovered to 827,000 bpd after technical problems were resolved at the Sharara field.

On Thursday OPEC Secretary-General Mohammad Barkindo said to an economic forum in Russia that it was too early to say when production caps could be imposed on Libya and Nigeria as they have a lot of issues to solve.

The group, however, last week discussed cutting output by a further 1 to 1.5 percent, and could revisit the proposal should inventories remain high and continue to weigh on prices, sources said.

Russia, which has cut production by 300,000 bpd under the deal, could increase production next year to as much as 11.07 million bpd, the country's deputy energy minister told Reuters.

*(Source Reuters, Research – @her1en)*



**CLN7/USD (OIL)**  
 (Exp.: 20 June 2017 - Reuters)



- Important support around 45.90
- Resistance at 52.00
- Daily RSI rises  
 ([Research – @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
June 01	48.61	49.15	47.89	1.26	48.02	↓ 0.60	48.62
May 31	49.62	49.69	47.73	1.96	48.62	↓ 1.01	49.63
May 30	50.05	50.05	49.03	1.02	49.63	↓ 0.34	49.97
May 29	49.83	50.27	49.50	0.77	49.97	↑ 0.11	49.86
May 26	48.71	49.92	48.17	1.75	49.86	↑ 1.20	48.66

WEEKLY		JUNE		MAY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
50.27	47.73	49.15	47.89	51.98	43.75	55.22	43.75
(29/May)	(31/May)	(01/Jun)	(01/Jun)	(25/May)	(05/May)	(03/Jan)	(05/May)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	54.45	Reaction high on 1-H chart (High Apr 12)
	53.42	High Apr 19
	52.00	High Apr 25
	49.71	High May 31
<b>SUPPORT</b>	46.40	Low May 10
	45.92	Low May 09
	44.13	Reaction low on 1-H chart
	42.01	Low Apr 05, 2016
<b>RECOMMENDATION</b>	BUY	-----
	SELL	48.35
	STOP LOSS	49.55
	TARGET	47.05
		46.55