



Daily Bulletin

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

Research Department

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Menara Karya 9th Floor, Jl. HR Rasuna Said Blok X-5 Kav. 1-2 Jakarta 12950 Indonesia, Phone : +6221-25533777

Email: research@valbury.com | Twitter: [@researchvaf](https://twitter.com/researchvaf) | Web-Link: www.valburyfutures.co.id/futures_research.php

GLOBAL MARKETS & ECONOMIES

GLOBAL MARKETS

- In Asia, MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.7 percent and South Korea's tech-heavy Kospi index slumped 1.7 percent to its lowest level in over three weeks.
- European shares inched up on Thursday as solid company earnings more than offset a weak energy sector and a slump in German industrial giant Siemens on delays to a planned unit listing.
- A gauge of world stocks declined as Wall Street dipped on Thursday, although European shares rallied, while sterling hit a nine-month low against the euro after the Bank of England's policymakers kept interest rates unchanged.

GLOBAL ECONOMIES

- Australian new vehicle sales recorded a third straight month of record sales in July, a hopeful sign for spending across the economy given consumers were confident enough to splash out on big ticket items.
- A flurry of data in coming weeks should show steady growth in China in July, though the potential for increased trade friction with the United States poses a risk to the world's second-largest economy as it navigates a tighter policy environment.
- Japan's services sector expanded at a slower pace in July as new orders eased, a private survey showed on Thursday, in a sign that its economic activity may be moderating.
- Wages and the price of consumer goods in the euro zone are still growing at a slow pace, holding back inflation despite a strengthening economic recovery, the European Central Bank said on Thursday.
- The Bank of England kept interest rates at a record low again on Thursday and, seeing Brexit weighing on the economy, cut its forecasts for growth and wages.
- The number of Americans filing for unemployment benefits fell last week, pointing to a tightening labor market that likely keeps the Federal Reserve on course to announce plans next month to start reducing its massive bond portfolio.

GLOBAL MARKETS

Asia – In Asia, MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.7 percent and South Korea's tech-heavy Kospi index slumped 1.7 percent to its lowest level in over three weeks. Seoul shares took an additional hit from President Moon Jae-in's new tax plan. Japan's blue-chip Nikkei stock index closed down 0.3 percent.

Euro Zone – European shares inched up on Thursday as solid company earnings more than offset a weak energy sector and a slump in German industrial giant Siemens on delays to a planned unit listing. The pan-European STOXX 600 index rose 0.08 percent to 378.93 points and euro zone blue chips added 0.20 percent, reaching 3,466.37 points. Siemens was the top weight to the STOXX after saying it would wait until next year to list its healthcare unit following the release of disappointing quarterly earnings.

Its 3.1-percent slide dragged on the German blue chip DAX index, which fell 0.2 percent, underperforming the rest of Europe and adding to a recent slide due to strength in the euro.

However strategists at Credit Suisse's wealth management arm upgraded German stocks to 'outperform' saying the rise in the single currency had opened an unmerited valuation gap.

"Earnings momentum and revisions have not been very strong in Germany but they are no worse than the middle of the pack, so the discount you are seeing relative to the rest of the euro zone is not fully merited," said Pierre Bose, head of European strategy at Credit Suisse Wealth Management.

Elsewhere in Europe some solid earning updates supported the broader market.

UniCredit rose up 7.2 percent as Italy's largest bank reported its biggest quarterly profit in almost a decade, outstripping market expectations and restoring cash dividends after a radical balance sheet overhaul.

"Things are going much, much better than expected," one trader said.

French stationery supplier Bic jumped more than 5 percent after reporting sales up 3 percent in the first half, while Next jumped 9.7

percent after the British retailer returned to sales growth in the second quarter, boosted by improved product ranges and a better online offer. Around 64 percent of MSCI Europe companies have already reported results. Of them nearly two thirds have either beaten or met analyst expectations, pointing to a second-quarter earnings growth of more than 22 percent, according to Thomson Reuters IBES data.

Among the losers were Norwegian oil services firm TGS, down 5.4 percent after slightly lighter revenues for the second quarter, and Tenaris, down 7.2 percent, as its outlook disappointed following in-line quarterly results. The oil and gas sector, down 0.4 percent on the day, is the worst performer in Europe so far this year and the only one trading in the red.

U.S. & Global Markets – A gauge of world stocks declined as Wall Street dipped on Thursday, although European shares rallied, while sterling hit a nine-month low against the euro after the Bank of England's policymakers kept interest rates unchanged.

Wall Street declined on a pullback in technology shares, the best performing sector so far in 2017. The S&P tech index fell 0.35 percent. However, the Dow Jones Industrial Average posted slight gains to hold above the 22,000 mark breached for the first time on Wednesday.

"When you hit these major milestones it's not unusual to trade sideways for a few days," said Phil Blancato, CEO of Ladenburg Thalmann Asset Management in New York.

Britain's FTSE index, up 0.85 percent, led the charge in overseas markets and sterling skidded to its lowest since Nov. 2 at 90.48 pence per euro after the Bank of England kept rates at a record low and cut its forecasts for growth and wages due to Brexit uncertainty.

The weaker growth outlook bolstered expectations the British central bank will be less likely to raise rates in the near future.

The FTSE notched its biggest daily percentage gain since July 12.

Europe's STOXX 600 recovered from early falls to nudge into positive territory, gaining 0.1 percent. Markets in Italy, up 1 percent, and France, up 0.5 percent, advanced although German stocks dipped 0.2 percent.

Among other upbeat news, retail sales in the euro zone increased by 0.5 percent in June from May, well above market expectations of a 0.1 percent rise.

The pan-European FTSEurofirst 300 index rose 0.12 percent and MSCI's gauge of stocks across the globe shed 0.14 percent.

The Dow Jones Industrial Average rose 9.86 points, or 0.04 percent, to close at 22,026.1, the S&P 500 lost 5.41 points, or 0.22 percent, to 2,472.16 and the Nasdaq Composite dropped 22.30 points, or 0.35 percent, to 6,340.34.

Stocks fell to session lows late in the session after the Wall Street Journal said Special Counsel Robert Mueller has impaneled a grand jury in Washington to investigate allegations of Russia's interference in the 2016 elections, but quickly recouped those losses.

"People have had their selling shoes on, so any good excuse. I don't know if in a different tape or a different environment this would have been viewed as negatively," said Stephen Massocca, Senior Vice President at Wedbush Securities in San Francisco.

U.S. Treasury yields fell to their lowest since late June in the wake of the Journal report. Benchmark 10-year notes were last up 11/32 in price to yield 2.2247 percent, from 2.262 percent late on Wednesday.

U.S. labor market data showed the number of Americans filing for unemployment benefits fell last week, a positive factor that may keep the Federal Reserve on course to announce plans next month to start reducing its massive bond portfolio.

The claims data, however, has no bearing on July's employment report, which is scheduled to be released on Friday, as it falls outside the survey period. [\(Source Reuters – @her1en\)](#)

GLOBAL ECONOMIES

Australia – Australian new vehicle sales recorded a third straight month of record sales in July, a hopeful sign for spending across the economy given consumers were confident enough to splash out on big ticket items. The Australian Federal Chamber of Automotive Industries' VFACTS report out on Thursday showed 92,754 new vehicles were sold in July, up 1.6 percent on the same month last year. Both months had the same number of selling days.

That was the highest total for a July month on record. Sales for the year to date were running at 692,306, up 0.4 percent on the same period of 2016.

Sales of sports utilities alone jumped 9.4 percent in July, with the small and medium segment in demand. Sales of light commercial vehicles edged up 0.8 percent after a run of very strong months, while the heavy vehicle market gained 14.5 percent.

Toyota Motor Corp retained first place on the sales ladder with 19.3 percent of the market, while Mazda Motor Corp had another upbeat month taking 10.3 percent.

Hyundai Motor took third spot with 8.1 percent. The Holden unit of General Motors followed with 7.0 percent, ahead of Ford at 6.8 percent.

China – A flurry of data in coming weeks should show steady growth in China in July, though the potential for increased trade friction with the United States poses a risk to the world's second-largest economy as it navigates a tighter policy environment.

China is expected to report another strong month of exports in July, according to a Reuters poll of analysts, which could play into increasing rhetoric from Washington that China unfairly benefits in the trade relationship.

China's exports are seen rising 10.9 percent year-on-year in July, according to a median estimate from a poll of analysts, which would be down only slightly from June's robust 11.3 percent growth, while imports are expected to increase 16.6 percent.

China's trade surplus in July was tipped at \$46.08 billion, which would be the second highest this year, though it had shrunk to \$185 billion in the first half of this year from \$257.1 billion in the same period in 2016 as imports picked up.

But the surplus with the United States, China's largest export market, actually rose 6.5 percent in the first half to \$117.5 billion, giving grist to U.S. President Donald Trump's frequent arguments that the trade balance between the two nation hurts the U.S. economy.

Indeed, American appetite for Chinese goods appear to have only increased over the years. The surplus with the U.S. accounted for 64 percent of China's total surplus in the first half, compared to 43 percent in the year-ago period, according to China customs data.

U.S.-CHINA TRADE TENSIONS

The issue has resurfaced over the past week as a bipartisan chorus has risen urging Trump to stand up to China as he prepares to launch an inquiry into Beijing's intellectual property and trade practices in coming days.

Tensions between Washington and Beijing have escalated in recent months as Trump has pressed China to cut steel production to ease global oversupply and rein in North Korea's missile program.

Trump tweeted on Saturday after the latest North Korea missile test that he was "very disappointed" in China and that Beijing profits from U.S. trade but had done "nothing" for the United States with regards to North Korea, something he would not allow to continue.

"We see a bumpy road ahead for the trade relationship between the two countries", said Yang Zhao, Nomura's chief China economist.

"But it is unlikely that the two nations will enter a true trade war."

Zhao said that part of the reason for China's bigger surplus with the U.S. this year is better performance of the world's no. 1 economy.

China is set to publish trade data on Tuesday.

China's economy grew a faster-than-expected 6.9 percent in the first half, with net exports a positive contributor after being a drag on growth for two years.

Japan – Japan's services sector expanded at a slower pace in July as new orders eased, a private survey showed on Thursday, in a sign that its economic activity may be moderating.

The Markit/Nikkei Japan Services Purchasing Managers Index (PMI) fell to a seasonally adjusted 52.0 from 53.3 in June.

But the index remained well above the 50 threshold that separates expansion from contraction for the 10th consecutive month.

Growth in new business eased but was still solid, with the reading dipping to 52.7 from 53.2. Companies continued to hire new staff but also at a slower pace.

The services sector PMI comes shortly after the final manufacturing PMI which showed Japan's factory activity grew at the slowest pace in eight months.

"Weaker expansion was registered across both manufacturing and service sectors in line with weaker gains in new business compared to previous months," said Paul Smith, senior economist at IHS Markit, which compiles the survey.

Taken together, the composite PMI, which includes both manufacturing and services, fell to 51.8 in July from 52.9 in June.

While the business surveys suggested some loss of momentum for the month, most recent official data had raised hopes that Japan's modest economic recovery may be on more stable footing, with a rebound in factory output in June, stronger household spending and exports rising for seven months in a row.

Inflation has been stubbornly weak, however, and well below the central bank's target.

The survey showed most service companies left prices unchanged in July despite a further rise in input costs, suggesting pressure on profit margins. A small number trimmed prices for the first time this year.

Euro Zone – Wages and the price of consumer goods in the euro zone are still growing at a slow pace, holding back inflation despite a strengthening economic recovery, the European Central Bank said on Thursday.

The comment, published in the ECB's economic bulletin, suggests its view of price pressures remains cautious as it prepares to decide whether to wind down its 2.3 trillion euros (\$2.7 trillion) stimulus programme. Years of low inflation had had a knock-on effect on wage negotiations.

Other factors in the slow pace of wage growth "include still significant slack in the labour market, weak productivity growth and the ongoing impact of labour market reforms," it said.

Higher prices around the world also had yet to start spreading to euro zone consumer goods other than food and "more generally, underlying domestic price pressures remain subdued."

Given the cloudy inflation outlook, ECB rate setters are reluctant to withdraw their monetary support despite strong economic growth and falling unemployment.

The Frankfurt-based central bank is likely to postpone a decision on the future of its bond-buying programme until October, rate-setters told Reuters after their July 20 policy meeting.

A recent strengthening of the euro, a hit for euro zone exporters and a check on import prices, has further complicated the policy picture.

Euro zone inflation was 1.3 percent in July, official estimates showed this week, still well below the ECB's target of just under 2 percent.

Investors will look for signs on Thursday that Britain is getting nearer to raising interest rates for the first time in a decade, following a policy meeting at which the Bank of England is expected to keep them at a record low once again.

UK – The Bank of England kept interest rates at a record low again on Thursday and, seeing Brexit weighing on the economy, cut its forecasts for growth and wages.

The gloomier outlook for the next two years further reduced speculation in financial markets that the BoE might be nearing its first rate hike in a decade.

Governor Mark Carney nonetheless sought to keep alive the possibility of one next year.

He said uncertainty about Brexit -- in particular lower investment by companies -- meant the economy could not grow as fast as before without pushing up inflation. So, just a small improvement in growth could bring forward a rate hike.

"The speed limit, if you will, of the economy has slowed," he told reporters. "That ... could have consequences for monetary policy, depending on the evolution of demand."

But investors saw no sign that the BoE was in a hurry to raise rates, a stark contrast to the outcome of its last meeting in June when markets thought a hike might be imminent.

The pound hit a nine-month low against the euro and fell by more than a cent against the U.S. dollar. Shares rose and British government bond prices jumped.

Central banks around the world have struggled to wean their economies off the stimulus of rock-bottom interest rates, largely because of weak wage growth for workers.

The BoE faces the extra challenge of Britain's leaving the European Union, and its uncertain impact on Britain's economy.

The Bank said it now expects the economy to grow by 1.7 percent this year, down from its May forecast of 1.9 percent. It also shaved its growth forecast for next year to 1.6 percent from 1.7 percent, but kept 2019 at 1.8 percent.

The BoE's rate-setters voted 6-2 to keep Bank Rate at 0.25 percent, in line with forecasts in a Reuters poll of economists. That was more clear cut than an unexpectedly close 5-3 vote at the Monetary Policy Committee's meeting in June.

Since then one of the dissenters, Kristin Forbes, has left the central bank.

Michael Saunders and Ian McCafferty voted again for a 25 basis point rate rise. But BoE Chief Economist Andy Haldane, who said in June that he was likely to back a rate hike in the second half of this year, stayed with the majority.

The Bank said it might raise borrowing costs a bit more than investors expect over the next three years and suggested that a first hike might come within a year.

But U.S. bank Citi said the BoE was probably more worried about the risks of a disorderly Brexit than it appeared on Thursday.

"Brexit downside risks are larger than the MPC can formally acknowledge, which keeps the bar for a pre-2019 rate hike high, in our view," analysts at the bank said in a note to clients.

Citi said a smooth exit from the EU was still the most likely outcome, so the BoE would probably raise rates from late 2019, taking them to 2 percent by the end of 2021.

The Bank kept its asset purchase programmes unchanged on Thursday. It also said a bank lending scheme would end as on schedule in February 2018.

U.S. – The number of Americans filing for unemployment benefits fell last week, pointing to a tightening labor market that likely keeps the Federal Reserve on course to announce plans next month to start reducing its massive bond portfolio.

Labor market strength was also underscored by another report on Thursday showing U.S.-based employers in July announced the fewest job cuts in eight months.

"The labor market remains tight as a drum even if it is not throwing off the sparks of higher wages and more inflation," said Chris Rupkey, chief economist at MUFG in New York. "The Fed can continue mopping up the stimulus provided to fight the financial crisis and recession."

Initial claims for state unemployment benefits decreased 5,000 to a seasonally adjusted 240,000 for the week ended July 29, the Labor Department said. Economists had forecast claims falling to 242,000.

Claims have now been below 300,000, a threshold associated with a healthy labor market, for 126 straight weeks. That is the longest such stretch since 1970, when the labor market was smaller. The labor market is near full employment, with the jobless rate at 4.4 percent.

Economists believe that labor market tightness will encourage the Fed to announce a plan to start offloading its \$4.2 trillion portfolio of Treasury bonds and mortgage-backed securities in September.

The U.S. central bank is, however, expected to delay raising interest rates until December because of low inflation. The Fed has raised rates twice this year.

The U.S. dollar fell to a session low against the yen after Thursday's data while prices of U.S. government debt rose. U.S. stock index futures were trading marginally higher. [\(Source Reuters, Research – @her1en\)](#)

WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/31-Jul-17	05:45	NZ	Building Permits MoM	Jun	-1.0%	--	7.0%	6.9%
	06:01	GB	Lloyds Business Barometer	Jul	30	--	30	
	06:50	JP	Industrial Production MoM	Jun P	1.6%	1.5%	-3.6%	
	06:50	JP	Industrial Production YoY	Jun P	4.9%	4.8%	6.5%	
	06:50	JP	Loans & Discounts Corp YoY	Jun	4.10%	--	3.91%	
	08:00	AU	Melbourne Institute Inflation MoM	Jul	0.1%	--	0.1%	
	08:00	AU	Melbourne Institute Inflation YoY	Jul	2.7%	--	2.3%	
	08:00	AU	HIA New Home Sales MoM	Jun	-6.9%	--	1.1%	
	08:00	CN	Manufacturing PMI	Jul	51.4	51.5	51.7	
	08:00	CN	Non-manufacturing PMI	Jul	54.5	--	54.9	
	08:00	NZ	ANZ Activity Outlook	Jul	40.3	--	42.8	
	08:00	NZ	ANZ Business Confidence	Jul	19.4	--	24.8	
	08:10	JP	BOJ Outright Bond Purchase 10~25 Years					
	08:10	JP	BOJ Outright Bond Purchase 25 Years~					
	08:30	AU	Private Sector Credit MoM	Jun	0.6%	0.4%	0.4%	
	08:30	AU	Private Sector Credit YoY	Jun	5.4%	5.2%	5.0%	
	N/A	HK	Budget Balance HKD	Jun	-	--	-11.3b	
	N/A	HK	Money Supply M1 HKD YoY	Jun	-	--	14.6%	
	N/A	HK	Money Supply M2 HKD YoY	Jun	-	--	15.5%	
	N/A	HK	Money Supply M3 HKD YoY	Jun	15.9%	--	15.5%	
	11:00	JP	Vehicle Production YoY	Jun	6.9%	--	5.5%	
	12:00	JP	Annualized Housing Starts	Jun	1.003m	0.987m	0.998m	
	12:00	JP	Housing Starts YoY	Jun	1.7%	-0.1%	-0.3%	
	12:00	JP	Construction Orders YoY	Jun	2.3%	--	-0.5%	
	13:00	DE	Retail Sales MoM	Jun	1.1%	0.2%	0.5%	
	13:00	DE	Retail Sales YoY	Jun	1.5%	2.7%	4.8%	4.9%
	15:30	GB	Money Supply M4 MoM	Jun	-0.2%	0.2%	-0.1%	
	15:30	GB	M4 Money Supply YoY	Jun	5.3%	--	6.7%	
	15:30	GB	M4 Ex IOFCs 3M Annualised	Jun	5.4%	--	5.6%	5.7%
	16:00	EZ	Unemployment Rate	Jun	9.1%	9.2%	9.3%	9.2%
	16:00	EZ	CPI Estimate YoY	Jul	1.3%	1.3%	1.3%	
	16:00	EZ	CPI Core YoY	Jul A	1.3%	1.1%	1.1%	
19:30	CA	Industrial Product Price MoM	Jun	-1.0%	-0.3%	-0.2%	0.1%	
20:45	US	Chicago Purchasing Manager	Jul	58.9	60	65.7		
21:00	US	Pending Home Sales MoM	Jun	1.5%	0.7%	-0.8%	-0.7%	
21:00	US	Pending Home Sales NSA YoY	Jun	0.7%	--	0.5%	0.7%	
21:30	US	Dallas Fed Manf. Activity	Jul	16.8	14	15		
Tue/01-Aug-17	06:00	AU	Commonwealth Bank Australia PMI Mfg	Jul	54.4	--	56.2	
	06:00	KR	CPI MoM	Jul	0.2%	--	-0.1%	
	06:00	KR	CPI YoY	Jul	2.2%	--	1.9%	
	06:00	KR	CPI Core YoY	Jul	-	--	1.4%	
	06:30	AU	AiG Perf of Mfg Index	Jul	56	--	55	
	07:00	KR	Exports YoY	Jul	-	--	13.7%	
	07:00	KR	Imports YoY	Jul	-	--	18.0%	
	07:00	KR	Trade Balance	Jul	-	--	\$11403m	
	07:30	JP	Nikkei Japan PMI Mfg	Jul F	52.1	--	52.2	
	07:30	KR	Nikkei South Korea PMI Mfg	Jul	49.1	--	50.1	
	08:45	CN	Caixin China PMI Mfg	Jul	51.1	50.4	50.4	
	11:30	AU	RBA Cash Rate Target	Aug-01	1.50%	1.5%	1.5%	
	12:00	JP	Vehicle Sales YoY	Jul	-1.1%	--	9.7%	
	13:30	AU	Commodity Index SDR YoY	Jul	17.1%	--	25.0%	23.7%
	13:30	AU	Commodity Index AUD	Jul	114.4	--	119.5	118.3
	14:55	DE	Markit/BME Germany Manufacturing PMI	Jul F	58.1	58.3	58.3	
	14:55	DE	Unemployment Change (000's)	Jul	-9k	-5k	7k	6k
	14:55	DE	Unemployment Claims Rate SA	Jul	5.7%	5.7%	5.7%	
	15:00	EZ	Markit Eurozone Manufacturing PMI	Jul F	56.6	56.8	56.8	

	15:30	GB	Markit UK PMI Manufacturing SA	Jul	55.1	54.4	54.3	54.2
	16:00	EZ	GDP SA QoQ	2Q A	0.6%	0.6%	0.6%	0.5%
	16:00	EZ	GDP SA YoY	2Q A	2.1%	2.1%	1.9%	
	19:30	US	Personal Income	Jun	0.0%	0.4%	0.4%	0.3%
	19:30	US	Personal Spending	Jun	0.1%	0.2%	0.1%	
	19:30	US	Real Personal Spending	Jun	0.0%	0.1%	0.1%	0.2%
	19:30	US	PCE Deflator MoM	Jun	0.0%	0.0%	-0.1%	0.0%
	19:30	US	PCE Deflator YoY	Jun	1.5%	--	1.4%	1.5%
	19:30	US	PCE Core MoM	Jun	0.1%	0.1%	0.1%	
	19:30	US	PCE Core YoY	Jun	1.4%	1.3%	1.4%	1.5%
	20:00	NZ	Dairy Prices	w/e	-1.6%	--	0.2%	
	20:00	NZ	Milk Auctions	w/e	3343T	--	3387.0T	
	20:30	CA	Markit Canada Manufacturing PMI	Jul	55.5	--	54.7	
	20:45	US	Markit US Manufacturing PMI	Jul F	53.3	--	53.2	
	21:00	US	ISM Manufacturing	Jul	56.3	56.5	57.8	
	21:00	US	ISM Prices Paid	Jul	62.0	55.5	55	
	21:00	US	ISM New Orders	Jul	60.4	--	63.5	
	21:00	US	ISM Employment	Jul	55.2	55.1	57.2	
	21:00	US	Construction Spending MoM	Jun	-1.3%	0.4%	0.0%	0.3%
	All Day	CH	Bank Holiday/National Day					
Wed/02-Aug-17	05:45	NZ	Unemployment Rate	2Q	4.8%	4.8%	4.9%	
	05:45	NZ	Employment Change QoQ	2Q	-0.2%	0.7%	1.2%	1.1%
	05:45	NZ	Employment Change YoY	2Q	3.1%	4.1%	5.7%	
	05:45	NZ	Participation Rate	2Q	70.0%	70.6%	70.6%	
	05:45	NZ	Pvt Wages Ex Overtime QoQ	2Q	0.4%	0.5%	0.4%	
	05:45	NZ	Pvt Wages Inc Overtime QoQ	2Q	0.4%	0.4%	0.4%	
	05:45	NZ	Average Hourly Earnings QoQ	2Q	0.8%	0.9%	0.3%	
	06:50	JP	Monetary Base YoY	Jul	15.6%	--	17.0%	
	06:50	JP	Monetary Base End of period	Jul	¥468.3t	--	¥468.0t	
	08:30	AU	Building Approvals MoM	Jun	10.9%	1.0%	-5.6%	-5.4%
	08:30	AU	Building Approvals YoY	Jun	-2.3%	-11.0%	-19.7%	-18.7%
	08:30	JP	BOJ Funo speaks in Sapporo					
	12:00	JP	Consumer Confidence Index	Jul	43.8	--	43.3	
	12:45	CH	SECO Consumer Confidence	Jul	-3	--	-8	
	14:15	CH	Retail Sales Real YoY	Jun	1.5%	--	-0.3%	-0.8%
	14:30	CH	PMI Manufacturing	Jul	60.9	--	60.1	
	15:30	HK	Retail Sales Value YoY	Jun	0.1%	--	0.5%	
	15:30	HK	Retail Sales Volume YoY	Jun	-	--	0.7%	
	15:30	GB	Markit/CIPS UK Construction PMI	Jul	51.9	54.5	54.8	
	16:00	EZ	PPI MoM	Jun	-0.1%	-0.1%	-0.4%	-0.3%
	16:00	EZ	PPI YoY	Jun	2.4%	2.4%	3.3%	3.4%
	19:15	US	ADP Employment Change	Jul	178.0k	185k	158k	191.0k
	21:30	US	DOE U.S. Crude Oil Inventories	Jul-28	-1527k	-3100k	-7208k	
	21:30	US	DOE Cushing OK Crude Inventory	Jul-28	-39k	--	-1699k	
	21:30	US	DOE U.S. Gasoline Inventories	Jul-28	-2517k	-1000k	-1015k	
	21:30	US	DOE U.S. Distillate Inventory	Jul-28	-150k	-900k	-1852k	
	23:00	US	Fed's Mester Speaks to Community Banking Conference					
Thu/03-Aug-17	02:30	US	Fed's Williams Speaks in Las Vegas on Monetary Policy					
	04:00	KR	Foreign Reserves	Jul	\$383.76b	--	\$380.57b	
	06:00	AU	Commonwealth Bank Australia PMI Composite	Jul	56.7	--	57.2	
	06:00	AU	Commonwealth Bank Australia PMI Services	Jul	57	--	57	
	06:00	KR	BoP Current Account Balance	Jun	-	--	\$5937.3m	
	06:00	KR	BoP Goods Balance	Jun	-	--	\$8834m	
	06:30	AU	AiG Perf of Services Index	Jul	56.4	--	54.8	
	07:30	HK	Nikkei Hong Kong PMI	Jul	51.3	--	51.1	
	07:30	JP	Nikkei Japan PMI Services	Jul	52.0	--	53.3	
	07:30	JP	Nikkei Japan PMI Composite	Jul	51.8	--	52.9	
	08:00	NZ	ANZ Commodity Price	Jul	-0.8%	--	2.1%	
	08:30	AU	Trade Balance	Jun	A\$856m	A\$1800m	A\$2471m	A\$2024m

	08:45	CN	Caixin China PMI Composite	Jul	51.9	--	51.1	
	08:45	CN	Caixin China PMI Services	Jul	51.5	--	51.6	
	14:55	DE	Markit Germany Services PMI	Jul F	53.1	53.5	53.5	
	14:55	DE	Markit/BME Germany Composite PMI	Jul F	55.6	55.1	55.1	
	15:00	EZ	ECB Publishes Economic Bulletin					
	15:00	EZ	Markit Eurozone Services PMI	Jul F	55.4	55.4	55.4	
	15:00	EZ	Markit Eurozone Composite PMI	Jul F	55.7	55.8	55.8	
	15:30	GB	Markit/CIPS UK Services PMI	Jul	53.8	53.5	53.4	
	15:30	GB	Markit/CIPS UK Composite PMI	Jul	54.1	53.8	53.8	
	15:30	GB	Official Reserves Changes	Jul	\$1273m	--	\$491m	
	16:00	EZ	Retail Sales MoM	Jun	0.5%	0.1%	0.4%	
	16:00	EZ	Retail Sales YoY	Jun	3.1%	2.6%	2.6%	2.4%
	18:00	GB	Bank of England Inflation Report					
	18:00	GB	Bank of England Bank Rate	Aug-03	0.25%	0.25%	0.25%	
	18:00	GB	BOE Asset Purchase Target	Aug	435b	435b	435b	
	18:00	GB	BOE Corporate Bond Target	Aug	10b	10b	10b	
	19:30	US	Initial Jobless Claims	Jul-29	240k	242k	244k	245k
	19:30	US	Continuing Claims	Jul-22	1968k	1955k	1964k	1965k
	20:45	US	Markit US Services PMI	Jul F	54.7	--	54.2	
	20:45	US	Markit US Composite PMI	Jul F	54.6	--	54.2	
	21:00	US	ISM Non-Manf. Composite	Jul	53.9	57.0	57.4	
	21:00	US	Factory Orders	Jun	3.0%	2.9%	-0.8%	-0.3%
	21:00	US	Factory Orders Ex Trans	Jun	-0.2%	--	-0.3%	-0.1%
	21:00	US	Durable Goods Orders	Jun F	6.4%	--	6.5%	
	21:00	US	Durables Ex Transportation	Jun F	0.1%	--	0.2%	
	21:00	US	Cap Goods Orders Nondef Ex Air	Jun F	0.0%	--	-0.1%	
	21:00	US	Cap Goods Ship Nondef Ex Air	Jun F	0.1%	--	0.2%	
Fri/04-Aug-17	07:00	JP	Labor Cash Earnings YoY	Jun		--	0.7%	
	07:00	JP	Real Cash Earnings YoY	Jun		--	0.1%	
	08:30	AU	Retail Sales MoM	Jun		0.0%	0.6%	
	08:30	AU	Retail Sales Ex Inflation QoQ	2Q		1.3%	0.1%	
	08:30	AU	RBA Statement on Monetary Policy					
	13:00	DE	Factory Orders MoM	Jun		0.8%	1.0%	
	13:00	DE	Factory Orders WDA YoY	Jun		--	3.7%	
	14:30	DE	Markit Germany Construction PMI	Jul		--	55.1	
	15:10	EZ	Markit Eurozone Retail PMI	Jul		--	53.2	
	15:10	DE	Markit Germany Retail PMI	Jul		--	54.5	
	19:30	CA	Int'l Merchandise Trade	Jun		--	-1.09b	
	19:30	CA	Net Change in Employment	Jul		14.5k	45.3k	
	19:30	CA	Unemployment Rate	Jul		6.5%	6.5%	
	19:30	CA	Full Time Employment Change	Jul		--	8.1	
	19:30	CA	Part Time Employment Change	Jul		--	37.1	
	19:30	CA	Participation Rate	Jul		--	65.9	
	19:30	US	Change in Nonfarm Payrolls	Jul		183k	222k	
	19:30	US	Two-Month Payroll Net Revision	Jul		--	47k	
	19:30	US	Change in Private Payrolls	Jul		178k	187k	
	19:30	US	Change in Manufact. Payrolls	Jul		5k	1k	
	19:30	US	Unemployment Rate	Jul		4.3%	4.4%	
	19:30	US	Average Hourly Earnings MoM	Jul		0.3%	0.2%	
	19:30	US	Average Hourly Earnings YoY	Jul		--	2.5%	
	19:30	US	Average Weekly Hours All Employees	Jul		34.5	34.5	
	19:30	US	Labor Force Participation Rate	Jul		--	62.8%	
	19:30	US	Underemployment Rate	Jul		--	8.6%	
	19:30	US	Trade Balance	Jun		-\$45.0b	-\$46.5b	
Sat/05-Aug-17	00:00	US	Baker Hughes U.S. Rig Count	Aug-04		--	958	
	00:00	US	Baker Hughes U.S. Rotary Gas Rigs	Aug-04		--	--	
	00:00	US	Baker Hughes U.S. Rotary Oil Rigs	Aug-04		--	--	

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

ASIAN STOCK INDICATORS – *Daily Outlook*

Japan's Nikkei share average fell on Thursday as investors wasted little time taking profits in tech shares which rallied the previous day on Apple's strong quarterly earnings.

The Nikkei ended 0.3 percent lower at 20,029.26 points.

"The Japanese market rose ahead of U.S. markets after Apple's earnings so investors were quick to lock in gains," said Norihiro Fujito, a senior investment strategist at Mitsubishi UFJ Morgan Stanley Securities.

The Dow climbed above the 22,000 mark overnight for the first time, buoyed by Apple Inc's healthy quarterly iPhone sales. But other tech stocks such as Applied Materials fell, while Philadelphia SE Semiconductor Index dropped 0.7 percent.

"Although Apple surged overnight, other U.S. tech stocks were weak, and that's why investors quickly decided that the overall market would not continue to benefit from 'the Apple effect' and Japanese companies like Tokyo Electron fell today," Fujito added.

Chip equipment maker Tokyo Electron Ltd shed 2.4 percent, while Advantest Corp stumbled 2.9 percent.

Bucking the trend, ANA Holdings Inc soared 5.4 percent after Japan's biggest airline by revenue said its first-quarter operating profit rose 80 percent due to brisk business on international routes and after taking control of low-cost arm Peach Aviation Ltd.

Market reaction was muted to Prime Minister Shinzo Abe's reshuffle of his cabinet on Thursday, as he attempts to regain public support hurt by a series of scandals.

"The correlation between opinion polls and Japanese stocks is seen weak for now," said Takuya Takahashi, a strategist at Daiwa Securities, adding that unless Abe's support rate declined sharply from the current level, the impact from political developments on the Japanese market should be limited.

Abe had until recently been seen as likely to win a third term as head of his ruling Liberal Democratic Party (LDP), guaranteeing him the premiership and putting him on track to be Japan's longest-serving prime minister.

But his support has fallen below 30 percent in the recent polls, hit by opposition-fanned suspicions of Abe's favouritism to a friend, as well as voter perceptions that he and his aides have grown arrogant in office.

The broader Topix ended nearly flat at 1,633.82.

South Korean shares slumped to a near 3-1/2-week low on Thursday as construction stocks crumbled on fresh government curbs to cool the housing market, while tech firms retreated after an Apple-led rally.

The Korea Composite Stock Price Index (KOSPI) closed down 1.7 percent at 2,386.85 points, its weakest finish since July 11.

The sub-indices for techs and construction dropped 2.5 percent and 4.7 percent, respectively.

Offshore investors unloaded a net 402.7 billion won (\$356.83 million) worth of KOSPI shares during the session.

The South Korean won fell to the weakest closing level since July 14, fetching 1,128.8 to the dollar at the conclusion of onshore trade. It was down 0.4 percent versus Wednesday's close of 1,124.0.

Hong Kong stocks followed other Asian markets lower on Thursday, as investors paused for breath after recent strong gains in financial and resources firms.

The Hang Seng index fell 0.3 percent, to 27,531.01 points, while the China Enterprises Index lost 0.5 percent, to 11,002.20 points.

The financial and information technology sectors led the decline, while gains were seen in material and telecommunications shares.

China Unicom Hong Kong gained 2.3 percent as Beijing seeks to revitalize state-owned firms through changes to their management structure.

China Shenhua, the largest coal producer, slid 1.5 percent, and was the biggest drag on the energy sector.

New China Life Insurance, one of China's leading life insurance operators, dropped 3.3 percent, sending the financial sector lower.

China Shenhua and New China Life are dual-listed in Shanghai and Hong Kong.

The index measuring price differences between dual-listed companies in Shanghai and Hong Kong stood at 127.09. It widened to 129.04 last month, its widest since August 2016.

A value above 100 indicates Shanghai shares are pricing at a premium to shares in the same company trading in Hong Kong, and vice versa.

China's major stock indexes fell on Thursday, after a private survey showed the country's services sector cooled in July and a net drain of funds by the central bank renewed concerns about liquidity conditions.

The blue-chip CSI300 index fell 0.9 percent, to 3,727.83 points. The Shanghai Composite Index lost 0.4 percent to 3,272.93 points, further retreating from the previous session's 19-month intraday high of 3,305.43.

China's services sector expanded at a slightly slower pace in July as new business growth eased, a private business survey showed on Thursday.

The findings were in line with an official gauge of the non-manufacturing sector published on Monday which also showed growth in services cooled, adding to views that China's economy could slow slightly in coming months after a strong first half.

The survey undermined market sentiment as the Shanghai Composite was approaching a key technical level, market participants said.

"The SSEC is now trading near the 3,300-level, which is a key mark and could take much time to break through," said Zhang Gang, analyst with China Central Securities.

The SSEC last flirted with that level in December 2016 and April 2017, but failed to breach it and advance further. Wednesday's break was not sustained, with the index ending down 0.2 percent for the day.

Concerns about tighter liquidity also dampened activity.

China's central bank on Thursday drained a net 20 billion yuan (\$2.97 billion) via its open market operations, its first net drain since July 13.

Liquidity had also been squeezed in June and July, pushing money market rates higher and prompting the central bank to inject funds into the system. But tightness early in a month is rare.

"The net drain today does not signal a change in monetary policy, and the central bank will maintain frequent communication with the market to maintain steady expectations," Industrial Securities noted in a report.

With the exception of materials which continued to outperform and rose 1 percent, all other sectors fell across the board.

Losses were led by banking and real estate stocks.

Shares in listed units of Anbang, including developer Financial Street, dropped after the nation's insurance regulator said it has no plans to ask the financial conglomerate to sell overseas assets.

(Source Reuters, Research: @her1en)

ASIA AND GLOBAL MARKET SPOT PRICE 2016

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
RECORD HIGH	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)
2016 HIGH	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)
2017 HIGH	20318.11 (20/June/2017)	322.16 (25/Jul/2017)	27747.35 (02/Aug/2017)	22044.85 (03/Aug/2017)	2484.04 (27/Jul/2017)	3305.43130 (02/Aug/2017)
2017 LOW	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)
2016 LOW	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)
RECORD LOW	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 – 03 August 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	22026.10	↑ 9.86/ 0.04%	.N225	20029.26	↓ 50.78/0.25%
/.SPX	2472.16	↓ 5.41/ 0.21%	.KS200	312.29	↓ 5.40/1.70%
/.IXIC	6340.341	↓ 22.304/ 0.35%	.HSI	27531.01	↓ 76.37/0.28%
JPY=	110.04	↓ 0.68/ 0.61%	/.SSEC	3273.40880	↓ 11.64800/0.35%
KRW=	1127.95	↑ 5.98/ 0.53%	/Clc1 (Oil)	48.93	↓ 0.66/1.33%

SSIamU7 (Nikkei Sep Futures) – Last Trading Date: 11 Sep 2017



- Rebound faces the trendline resistance area around 20150
 - Pay attention to the psychological level at 20000, with a crucial support area at 19860
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
03 Aug SSIpmU7	20005	20010	19950	60	19960	---	↓ 50	0.25	17471
03 Aug SSIamU7	20030	20050	19970	80	20010	20010	↓ 55	0.27	41198
02 Aug SSIpmU7	20060	20090	20000	90	20060	---	↓ 5	0.02	18534
02 Aug SSIamU7	20055	20100	20010	90	20065	20065	↑ 85	0.43	49971
01 Aug SSIpmU7	19975	20045	19955	90	20040	---	↑ 60	0.30	17005
01 Aug SSIamU7	19945	19980	19910	70	19980	19980	↑ 35	0.18	34970
31 July SSIpmU7	19940	19985	19905	80	19905	---	↓ 40	0.20	13305
31 July SSIamU7	19960	19960	19895	65	19945	19945	↓ 15	0.08	41910
28 July SSIpmU7	19960	19970	19920	50	19965	---	↑ 5	0.03	18239
28 July SSIamU7	19990	20025	19910	115	19960	19960	↓ 95	0.47	54288

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
20100	19895	20100	19910	20200	19830	20290	18190
(02/Aug)	(31/Jul)	(02/Aug)	(01/Aug)	(03/Jul)	(07/Jul)	(20/Jun)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	20290	High 20/Jun/2017 (Peak)
	20200	Reaction high (hourly)
	20170	Reaction high (hourly)
	20125	Reaction high (hourly)
SUPPORT	19895	Reaction low (hourly)
	19830	Reaction low (hourly)
	19705	Low 16/Jun/2017 (Reaction low)
	19565	Low May 31 (Reaction low)
RECOMMENDATION	BUY	20000
	SELL	----
	STOP LOSS	19850
	TARGET	20150 20200

KSU7 (Kospi Sep Futures) – Exp. Date: 14 Sep 2017



- Daily correction
- There has been a daily channel trend break
- Daily RSI down
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
03 Aug	317.55	317.65	310.70	6.95	313.00	313.00	↓ 5.50	1.73	369407
02 Aug	318.75	319.45	318.10	1.35	318.50	318.50	↑ 0.60	0.19	129388
01 Aug	314.15	319.45	313.85	5.60	317.90	317.90	↑ 3.00	0.95	268590
31 July	313.35	315.50	313.25	2.25	314.90	314.90	↑ 1.00	0.32	199083
28 July	320.00	320.20	313.90	6.30	313.90	313.90	↓ 7.30	2.27	315478
27 July	321.20	322.15	320.35	1.80	321.20	321.20	↑ 0.90	0.28	178263

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
319.45 (01/Aug)	310.70 (03/Aug)	319.45 (01/Aug)	310.70 (03/Aug)	322.75 (25/Jul)	310.35 (05/Jul)	322.75 (25/Jul)	259.25 (02/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	321.35	Reaction high (hourly)
	320.20	High 28/Jul/2017
	319.45	High 01/Aug/2017
	317.65	High Aug 03
SUPPORT	310.70	Low Aug 03
	307.80	Low June 22
	306.65	Low June 21
	304.15	Low June 08
RECOMMENDATION	BUY	----
	SELL	313.30
	STOP LOSS	315.10
	TARGET	311.30 310.80

HSIQ7 (Hang Seng August Futures) – Exp. Date: 30 Aug 2017



- Seen correction in daily movement
- The RSI is still in overbought area
- Support area at 27300 - 27200
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
03 Aug (HSIQ7)	27460	27588	27363	225	27499	27498	↓ 54	0.20	106084
02 Aug (HSIQ7)	27507	27655	27483	172	27550	27552	↑ 35	0.13	117231
01 Aug (HSIQ7)	27221	27525	27221	304	27515	27515	↑ 287	1.05	105184
31 July (HSIQ7)	26975	27241	26951	290	27228	27228	↑ 285	1.06	87186
28 July (HSIQ7)	26982	26985	26870	115	26943	26943	↓ 114	0.42	85680
27 July (HSIQ7)	26878	27090	26867	223	27057	27057	↑ 214	0.80	83437
27 July (HSIN7)	26963	27165	26943	222	27127	27127	↑ 209	0.78	105668

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
27655	26951	27655	27221	27241	25110	27655	21863
(02/Aug)	(31/Jul)	(02/Aug)	(01/Aug)	(31/Jul)	(05/Jul)	(02/Aug)	(03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	28621	High 27/Apr/2015
	28458	High 27/May/2015
	28178	High 28/May/2015
	27660	High 04/Jun/2015 (Reaction high)
SUPPORT	27350	Reaction low (15 minutes)
	27189	Reaction low (hourly)
	27108	Pivot line (hourly)
	26915	Reaction low (hourly)
RECOMMENDATION	BUY	----
	SELL	27520
	STOP LOSS	27700
	TARGET	27320 27270

CURRENCIES – *Daily Outlook*

Dollar swoons after U.S. service sector data disappoints - Reuters News



The dollar fell against the euro on Thursday after softer-than-expected U.S. services sector data, then briefly fell more and hit a seven-week low against the yen after a report that a grand jury will investigate allegations of Russian meddling in the 2016 U.S. election.

A report from the Institute for Supply Management (ISM) showed its non-manufacturing index fell to 53.9 last month from 57.4 in June. This stoked doubts that the Federal Reserve would raise interest rates again in 2017. While an ISM reading above 50 indicates expansion, the figure was below expectations of economists polled by Reuters for a reading of 57.0.

The non-manufacturing employment index fell to 53.6, below economists' expectations for a rise to 56.5.

The euro rose slightly against the dollar and hit a session high of \$1.1892, just below Wednesday's more than 2-1/2-year high of

\$1.1909.

"With services growth slowing more than expected, it suggests a greater chance of payrolls disappointing tomorrow," said Joe Manimbo, senior market analyst at Western Union Business Solutions in Washington. "That would raise the bar to the Fed raising rates and keep the dollar biased downward."

Economists polled by Reuters expect U.S. employers to have added 183,000 jobs in July, down from 222,000 in June. Fed funds futures on Thursday implied traders saw a roughly 44 percent chance of a Fed rate hike in December, according to CME Group's FedWatch tool.

The dollar extended losses against the euro and Swiss franc in afternoon U.S. trading and hit a seven-week low against the yen of 109.87 yen after the Wall Street Journal reported that special counsel Robert Mueller had convened a grand jury in Washington to investigate allegations of Russian interference in the 2016 U.S. election. The report cited two unnamed people familiar with the matter.

Reuters later reported that grand jury subpoenas have been issued in connection with the June 2016 meeting between Donald Trump Jr., a Russian lawyer and others, citing two sources familiar with the matter.

"The hopes for real growth picking up are just diminishing the more headwinds the administration is getting," said Axel Merk, chief investment officer of Palo Alto, California-based Merk Investments.

Sterling slumped as much as 0.8 percent against the dollar to \$1.3113 after the Bank of England kept interest rates at a record low on Thursday.

The dollar index, which measures the greenback against a basket of six major rivals, was last down slightly at 92.783. [\(Source Reuters, Research – @her1en\)](#)

EUR/USD

Interest Rate: 0.00% (EU)/ 1.00%-1.25% (US)



- Primary support at the 1.1610 level
- Daily RSI rises, beware of still in overbought area
- Strong resistance at 1.2110 ([Research - @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 03	1.18538	1.18919	1.18293	62,6	1.18680	↑ 14,0	1.18540
Aug 02	1.18045	1.19091	1.17925	116,6	1.18540	↑ 54,5	1.17995
Aug 01	1.18346	1.18379	1.17840	53,9	1.17995	↓ 40,5	1.18400
July 31	1.17586	1.18444	1.17220	122,4	1.18400	↑ 80,7	1.17593
July 28	1.16740	1.17628	1.16700	92,8	1.17593	↑ 84,4	1.16749

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.19091 (02/Aug)	1.17220 (31/Jul)	1.19091 (02/Aug)	1.17840 (01/Aug)	1.18444 (31/Jul)	1.13112 (05/Jul)	1.19091 (02/Aug)	1.0342 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.2352	High Dec 18, 2014
	1.2254	High Dec 25, 2014
	1.2108	High Jan 02, 2015
	1.1968	High Jan 06, 2015
SUPPORT	1.1792	Low Aug 02
	1.1721	Low Jul 31
	1.1669	Low Jul 28
	1.1611	Low Jul 26
RECOMMENDATION	BUY	1.1850
	SELL	-----
	STOP LOSS	1.1785
	TARGET	1.1920 1.1950

USD/JPY

Interest Rate: **1.00%-1.25% (US)/-0.1% (JP)**



- Rebound tests a crucial level at 111.30
- Daily RSI is down [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 03	110.728	110.816	109.845	97,1	110.017	↓ 62,7	110.644
Aug 02	110.360	110.972	110.271	70,1	110.644	↑ 30,0	110.344
Aug 01	110.242	110.578	109.910	66,8	110.344	↑ 10,4	110.240
July 31	110.524	110.761	110.203	55,8	110.240	↓ 35,2	110.592
July 28	111.306	111.311	110.590	72,1	110.592	↓ 64,7	111.239

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
110.972 (02/Aug)	109.845 (03/Aug)	110.972 (02/Aug)	109.845 (03/Aug)	114.482 (11/Jul)	110.203 (31/Jul)	118.60 (03/Jan)	108.14 (17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	112.86	High 17/Jul/2017
	112.41	High 20/Jul/2017 (Reaction high)
	112.18	High 26/Jul/2017 (Reaction high)
	111.33	High 28/Jul/2017
SUPPORT	109.91	Low 01/Aug/2017 (Reaction low)
	109.25	Low 15/Jun/2017
	108.81	Low 14/Jun/2017 (Bottom)
	108.11	Low 17/Apr/2017 (Bottom)
RECOMMENDATION	BUY	----
	SELL	110.15
	STOP LOSS	110.85
	TARGET	109.35 109.05

GBP/USD

Interest Rate: 0.25% (GB)/1.00%-1.25% (US)



- Break the daily highs and this year
 - Important resistance at 1.3346 with support at 1.3000
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 03	1.32238	1.32665	1.31113	155,2	1.31357	↓ 87,5	1.32232
Aug 02	1.32068	1.32500	1.31902	59,8	1.32232	↑ 20,8	1.32024
Aug 01	1.32061	1.32436	1.31896	54,0	1.32024	↓ 10,1	1.32125
July 31	1.31459	1.32237	1.30957	128,0	1.32125	↑ 64,5	1.31480
July 28	1.30635	1.31481	1.30610	87,1	1.31480	↑ 84,7	1.30633

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.32665 (03/Aug)	1.30957 (31/Jul)	1.32665 (03/Aug)	1.31113 (03/Aug)	1.32237 (31/Jul)	1.28106 (12/Jul)	1.32665 (03/Aug)	1.1986 (16/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3480	High 15/Jul/2016 (Reaction high)
	1.3445	High 06/Sep/2016 (Peak)
	1.3346	High 12/Sep/2016 (Reaction high)
	1.3278	High 15/Sep/2016 (Reaction high)
SUPPORT	1.3094	Low 31/Jul/2017
	1.3051	Low 27/Jul/2017
	1.2999	Low 26/Jul/2017
	1.2930	Low 20/Jul/2017 (Reaction low)
RECOMMENDATION	BUY	1.3115
	SELL	----
	STOP LOSS	1.3040
	TARGET	1.3195
		1.3225

USD/CHF

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



- Beware of a rebound is limited if the resistance area at 0.9770 remains intact
- Note also the support area at 0.9600
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 03	0.96985	0.97154	0.96702	45,2	0.96833	↓ 26,7	0.97100
Aug 02	0.96509	0.97124	0.96472	65,2	0.97100	↑ 54,6	0.96554
Aug 01	0.96666	0.96824	0.96299	52,5	0.96554	↓ 11,6	0.96670
July 31	0.96839	0.97114	0.96357	75,7	0.96670	↓ 12,7	0.96797
July 28	0.96493	0.97256	0.96323	93,3	0.96797	↑ 31,9	0.96478

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.97154 (03/Aug)	0.96299 (01/Aug)	0.97154 (03/Aug)	0.96299 (01/Aug)	0.97256 (28/Jul)	0.94372 (21/Jul)	1.0335 (03/Jan)	0.94372 (21/Jul)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.9967	High 16/May/2017
	0.9861	High 18/May/2017
	0.9808	High 30/May/2017 (Reaction high)
	0.9770	High 15/Jun/2017 (Reaction high)
SUPPORT	0.9630	Low Aug 01
	0.9597	Reaction low (hourly)
	0.9489	Low 27/Jul/2017
	0.9436	Low 21/Jul/2017 (Bottom)
RECOMMENDATION	BUY	0.9670
	SELL	----
	STOP LOSS	0.9605
	TARGET	0.9740 0.9770

AUD/USD

Interest Rate: 1.5% (AU)/ 1.00%-1.25% (US)



- Trendline resistance around 0.8230
 - The support area around 0.7720 - 0.7630
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 03	0.79642	0.79647	0.79127	52,0	0.79459	↓ 19,5	0.79654
Aug 02	0.79685	0.79918	0.79404	51,4	0.79654	↓ 2,1	0.79675
Aug 01	0.79996	0.80416	0.79597	81,9	0.79675	↓ 34,1	0.80016
July 31	0.79878	0.80027	0.79551	47,6	0.80016	↑ 10,5	0.79911
July 28	0.79636	0.80060	0.79358	70,2	0.79911	↑ 25,2	0.79659

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.80416 (01/Aug)	0.79127 (03/Aug)	0.80416 (01/Aug)	0.79127 (03/Aug)	0.80646 (27/Jul)	0.75698 (05/Jul)	0.80646 (27/Jul)	0.7182 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.8295	High Jan 15, 2015
	0.8233	High Jan 21, 2015
	0.8162	High May 14, 2015
	0.8065	High July 27
SUPPORT	0.7875	Low July 26
	0.7783	Low July 18
	0.7721	Low July 14
	0.7630	Low July 12
ECOMMENDATION	BUY	-----
	SELL	0.7965
	STOP LOSS	0.8030
	TARGET	0.7895 0.7865

NZD/USD

Interest Rate: 2.00% (NZ)/ 1.00%-1.25% (US)



- Correction happens in daily
- With daily RSI down
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 03	0.74274	0.74500	0.73898	60,2	0.74337	↑ 4,3	0.74294
Aug 02	0.74690	0.74723	0.74091	63,2	0.74294	↓ 38,1	0.74675
Aug 01	0.75097	0.75239	0.74604	63,5	0.74675	↓ 46,0	0.75135
July 31	0.75127	0.75212	0.74667	54,5	0.75135	↓ 7,2	0.75207
July 28	0.74833	0.75208	0.74594	61,4	0.75207	↑ 34,7	0.74860

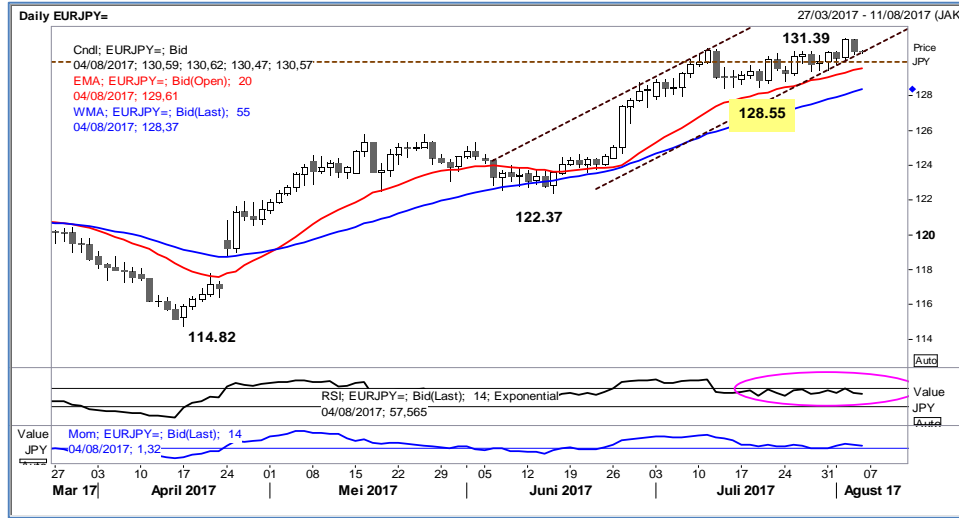
WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.75239	0.73898	0.75239	0.73898	0.75570	0.72005	0.75570	0.68166
(01/Aug)	(03/Aug)	(01/Aug)	(03/Aug)	(27/Jul)	(11/Jul)	(27/Jul)	(11/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7890	High Jan 15, 2015
	0.7744	High Apr 29, 2015
	0.7627	High May 01, 2015
	0.7562	High May 14, 2015
SUPPORT	0.7370	Trendline support
	0.7331	Low July 20
	0.7244	Low July 13
	0.7200	Low July 11
RECOMMENDATION	BUY	-----
	SELL	0.7450
	STOP LOSS	0.7515
	TARGET	0.7380 0.7350

EUR/JPY

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



- Rebound faces the resistance area at 132.25
- Note the trendline support around 130 for potential reversal
- Daily RSI is down
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 03	131.250	131.297	130.432	86,5	130.592	↓ 59,5	131.187
Aug 02	130.284	131.373	130.240	113,3	131.187	↑ 96,9	130.218
Aug 01	130.467	130.568	129.810	75,8	130.218	↓ 32,3	130.541
July 31	129.963	130.564	129.519	104,5	130.541	↑ 49,4	130.047
July 28	129.945	130.378	129.529	84,9	130.047	↑ 16,4	129.883

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
131.373	129.519	131.373	129.810	130.739	127.971	130.739	114.87
(02/Aug)	(31/Jul)	(02/Aug)	(01/Aug)	(11/Jul)	(06/Jul)	(11/Jul)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	133.79	High 16/Dec/2015 (Reaction high)
	132.80	High 22/Dec/2015 (Reaction high)
	132.25	High 29/Jan/2016 (Peak)
	131.65	High 04/Feb/2016 (Reaction high)
SUPPORT	130.14	Low 02/Aug/2017
	129.23	Low 25/Jul/2017
	128.48	Low 13/Jul/2017 (Reaction low)
	127.97	Low 06/Jul/2017 (Reaction low)
RECOMMENDATION	BUY	----
	SELL	130.75
	STOP LOSS	131.60
	TARGET	129.95 129.65

USD/CAD

Interest Rate: 1.00%-1.25% (US)/0.75% (CA)



- Rebound continues to form consecutive higher lows formation
- Rebound faces the resistance area at 1.2651
[\(Research – @her1en\)](#)

WEEKLY OPEN	CURRENT PRICE
1.2439	1.2582

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2618 (03/Aug)	1.2429 (31/Jul)	1.2618 (03/Aug)	1.2448 (01/Aug)	1.3014 (05/Jul)	1.2412 (26/Jul)	1.3793 (05/May)	1.2412 (26/Jul)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.2770	High 13/Jul/2017
	1.2701	High 18/Jul/2017 (Reaction high)
	1.2652	Reaction high (hourly)
	1.2608	Reaction high (hourly)
SUPPORT	1.2519	Reaction low (hourly)
	1.2412	Low 26/Jul/2017
	1.2358	Low 30/Jun/2015
	1.2302	Low 29/Jun/2015 (Reaction low)
RECOMMENDATION	BUY	1.2560
	SELL	----
	STOP LOSS	1.2495
	TARGET	1.2630 – 1.2660

Precious Metal – *Daily Outlook*

Gold steadies below seven-week high as U.S. data awaited - Reuters News



Gold steadied on Thursday, hovering below Tuesday's seven-week high, as investors awaited U.S. jobs data for further clues on the outlook for interest rates.

Gold rallied through most of July as the dollar fell on reduced expectations for a third U.S. rate increase this year. Inflation has been contained even though the labor market appears to be in its best shape in many years and despite double-digit U.S. earnings growth in the second quarter.

Reduced rate rise expectations tend to weaken the dollar, making dollar-priced gold cheaper for non-U.S.

investors.

The dollar fell against the yen, euro and Swiss franc, after weaker-than-expected U.S. services sector data worried investors and stoked doubts that the Federal Reserve would raise interest rates again in 2017.

Spot gold was 0.15 percent higher at \$1,268.15 an ounce by 2:02 p.m. EDT (1802 GMT), not far from Tuesday's seven-week high of \$1,273.97. In early Asian trade, it fell \$6.20 within one minute to the session low of \$1,258.20 but quickly recovered.

"The dollar is weak so there's a little bit of spillover effect from that," said Eli Tesfaye, senior market strategist for brokerage RJO Futures in Chicago, referring to a source of support for gold prices.

"There's position squaring ahead of the jobs data. Nobody wants to get caught with any surprises."

The data is scheduled for release on Friday.

U.S. gold futures for December delivery settled down 0.3 percent at \$1,274.40.

"We're still in a \$1,200-\$1,300 range and there doesn't seem enough of anything material to worry investors sufficiently to break us through that upper level," ICBC Standard Bank analyst Tom Kendall said.

"On the downside it's been very similar, on recent occasions where (gold has) got close to \$1,200 it's been well supported through a combination of physical demand and defensive buying from macro investors."

Futures markets now only see a 35 percent chance of another rate rise by the end of 2017.

Global demand for gold fell 14 percent in the first half of the year due mainly to a sharp decline in purchases by exchange traded funds, the World Gold Council said.

Among other precious metals, platinum rose 1.8 percent to \$958.95 per ounce after surging above its 200-day moving average to its highest since June 7 at \$964.20.

Silver rose 0.6 percent to \$16.64 per ounce, while palladium was 0.9 percent lower at \$886.75 per ounce, on track to break a streak of nine-sessions of gains. [\(Source Reuters, Research – @her1en\)](#)

GOLD (XAU/USD)



- Daily RSI flat, beware of RSI still in overbought area
- Correction in daily
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Aug 03	1266.140	1270.680	1256.630	14.05	1268.360	↑ 1.94	1266.420	1261.80	1268.10
Aug 02	1268.630	1272.670	1262.740	9.93	1266.420	↓ 2.26	1268.680	1266.65	1269.60
Aug 01	1269.140	1273.940	1262.540	11.40	1268.680	↓ 0.62	1269.300	1267.05	1270.95
July 31	1270.110	1270.300	1265.620	4.68	1269.300	↓ 1.19	1270.490	1266.35	1267.55
July 28	1258.770	1270.680	1257.250	13.43	1270.490	↑ 11.68	1258.810	1259.60	1264.90

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1273.940 (01/Aug)	1256.630 (03/Aug)	1273.940 (01/Aug)	1256.630 (03/Aug)	1270.680 (28/Jul)	1204.690 (10/Jul)	1295.910 (06/Jun)	1146.31 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1308.00	Trendline resistance
	1295.97	Reaction high on 1-H chart (High June 06)
	1279.37	High June 14
	1273.97	High Aug 01
SUPPORT	1258.20	Low Aug 03
	1254.02	Low July 27
	1243.41	Low July 26
	1234.74	Low July 20
RECOMMENDATION	BUY	----
	SELL	1270.00
	STOP LOSS	1279.00
	TARGET	1260.00 1255.50

SILVER (XAG/USD)



- Short-term resistance around 17.70
 - Strong support at 16.10
 - Correction in daily
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 03	16.563	16.679	16.423	0.26	16.641	↑ 0.08	16.561
Aug 02	16.684	16.923	16.456	0.47	16.561	↓ 0.13	16.688
Aug 01	16.812	16.836	16.589	0.25	16.688	↓ 0.12	16.809
July 31	16.762	16.860	16.658	0.20	16.809	↑ 0.10	16.710
July 28	16.556	16.738	16.504	0.23	16.710	↑ 0.16	16.555

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.923	16.423	16.923	16.423	16.860	14.334	18.63	14.334
(02/Aug)	(03/Aug)	(02/Aug)	(03/Aug)	(31/Jul)	(07/Jul)	(17/Apr)	(07/Jul)

ANALYSIS & RECOMMENDATION

RESISTANCE	17.75	High June 06
	17.31	High June 14
	17.08	High June 15
	16.90	High June 29
SUPPORT	16.42	Low Aug 03
	16.28	Low July 26
	16.10	Low July 20
	15.57	Low July 14
ECOMMENDATION	BUY	----
	SELL	16.65
	STOP LOSS	16.90
	TARGET	16.35
		16.10

OIL – Daily Outlook

Oil retreats on concerns about OPEC oversupply - Reuters News

Oil prices fell on Thursday, as cautious buying dried up after U.S. crude rose to near \$50 a barrel, with concern about high crude supplies from producer club OPEC offsetting the previous day's data showing record U.S. gasoline demand.

Benchmark Brent crude settled down 35 cents a barrel at \$52.01 a barrel.

U.S. light crude was 56 cents lower at \$49.03. U.S. crude traded at a session high of \$49.96 a barrel.

OPEC crude oil exports rose to a record high in July, driven largely by soaring exports from the group's African members, according to a report by Thomson Reuters Oil Research.

U.S. light crude has remained below \$50 a barrel, capped by robust domestic supplies.

"The market needs continuing signs of improvement in the inventory picture to really drive the prices higher," said Gene McGillian, director of market research at Tradition Energy in Stamford, Connecticut.

Strong demand in the United States has been supporting prices. The U.S. Energy Information Administration reported record gasoline demand of 9.84 million barrels per day (bpd) for last week and a fall in commercial crude inventories of 1.5 million barrels to 481.9 million barrels.

That was below levels seen this time last year, an indication of a tightening U.S. market.

But traders said high production by the Organization of the Petroleum Exporting Countries was limiting price gains.

OPEC and other producers including Russia have promised to restrict output by 1.8 million bpd until the end of March 2018 to help support prices and draw down inventories.

Yet OPEC output hit a 2017 high of 33 million bpd in July, up 90,000 bpd from the previous month, a Reuters survey showed this week, led by a further recovery in supply from Libya, one of the countries exempt from the deal.

Ample supply is likely to keep a lid on prices, many analysts said.

"Our view of the oil market is that a major rally is unlikely in 2017," National Australia Bank analysts said in a note. "Absent further production cuts or a sustained uptick in demand, prices are likely to remain in the low to mid \$50s for the remainder of the year."

There are signs that the oil industry has adapted to an era of low prices and can produce and operate at levels that would previously have been uneconomic.

U.S. investment bank Goldman Sachs said this week the oil industry had successfully adapted to oil prices around \$50 per barrel. [\(Source Reuters, Research – @her1en\)](#)

The Organization of the Petroleum Exporting Countries (OPEC) is a permanent intergovernmental organization of 12 oil-exporting developing nations that coordinates and unifies the petroleum policies of its Member Countries. OPEC seeks to ensure the stabilisation of oil prices in international oil markets, with a view to eliminating harmful and unnecessary fluctuations, due regard being given at all times to the interests of oil-producing nations and to the necessity of securing a steady income for them. Equally important is OPEC's role in overseeing an efficient, economic and regular supply of petroleum to consuming nations, and a fair return on capital to those investing in the petroleum industry.

