



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

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GLOBAL ECONOMIES

- Australian companies doled out the biggest increase in wages and salaries in two years last quarter in a promising boost to consumer spending power, though a rundown in inventories likely dragged on overall economic growth.
- After surprising pretty much everyone with solid growth in the first half, China's economy has continued to motor along nicely with a flurry of data for August expected to show momentum will largely hold up through to the end of the year despite tighter policy.
- Japan's central bank is already in the process of winding down its radical monetary policy and may also look at making changes to its long-term interest rate target in the near future, former board member Takahide Kiuchi said on Monday.
- Investor sentiment in the euro zone improved unexpectedly in September as concerns about the potential impact of a widening car emissions scandal in Germany and the development of the U.S. economy faded into the background, a survey showed on Monday.
- Growth in Britain's construction firms fell unexpectedly to a one-year low in August, hit by an investment slump in the commercial sector as Brexit uncertainty weighed on the economy, a survey showed on Monday.
- The Bank of Canada is likely to leave interest rates unchanged at its Sept. 6 meeting and wait until October to raise them, allowing time for more data to show whether still-tame inflation pressure is picking up, a Reuters poll released on Friday showed.

GLOBAL MARKETS

Asia – Stocks and the dollar fell on Monday while the yen, gold and sovereign bonds rose after North Korea's most powerful nuclear test to date dampened investor appetite for risk.

Sunday's test, and reports from Seoul that Pyongyang was making preparations for another missile launch, sparked warnings from Washington and drove South Korea's stock market 1.2 percent lower. Japan's Nikkei lost almost 1 percent.

With Wall Street closed for the Labor Day holiday at the start of a week likely to become increasingly dominated by a number of central bank meetings.

Euro Zone – News of North Korea's latest nuclear test hit European shares on Monday but failed to trigger a massive sell-off as investors seem to get used geopolitical tensions.

The pan-European STOXX 600 index and euro zone blue chips both fell 0.5 percent and all major bourses, from the UK's FTSE to France's CAC 40, posted declines from 0.3 to 0.8 percent.

"Equity markets in Europe are in the red today as tensions surrounding North Korea were heightened again on the back of the nuclear bomb test carried out by the regime over the weekend", said David Madden from CMC Markets.

"Traders are clearly nervous, as stocks are lower, but the sell-off today hasn't been as bad a previous ones", the market analyst argued.

North Korea said it tested an advanced hydrogen bomb for a long-range missile on Sunday, prompting a warning of a "massive" military response from the United States if it or its allies were threatened.

"An H-bomb is undeniably different from the previous missile launches or nuclear tests ... However, the biggest question to investors remains - what's next? Will the tensions lead to negotiations, or war?" said Hussein Sayed, chief market strategist at FXTM.

Uncertainty over the response to the latest North Korean test worried investors, leading to a spike in stock market volatility. Europe's volatility index was up 1.5 points.

While no sector in Europe ended in positive territory, stocks in the financial services industry had the worst day, losing 1 percent.

Gains in safe-haven assets, including gold, sent precious metal miners Randgold and Fresnillo up 2 and 2.9 percent respectively, while Polymetal got further support from a JPMorgan upgrade to "neutral" from "underweight".

Fiat Chrysler fell 1.3 percent after Chief Executive Sergio Marchionne said the carmaker had not received an offer for the company nor was it working on any "big deal". His comments cooled down talk of possible M&A deal that had sent the stock to record highs last week. Pharma heavyweight Novartis ended down 1 percent as the group said its chief executive, Joseph Jimenez, would retire in 2018, and chief drug developer Vasant Narasimhan, 41, would run the company from February.

"Making a head of R&D CEO of an organisation raises some questions for us", UBS said in a research note, arguing that commercial and clinical success were two very different things.

Novartis shares, which have the third largest weight on the MSCI Europe benchmark, have underperformed their sector over the last 10 years.

U.S. & Global Markets – Stocks and the dollar fell on Monday while the Japanese yen, gold and sovereign bonds rose after North Korea's most powerful nuclear test to date dampened investor appetite for risk.

Sunday's test, and reports from Seoul that Pyongyang was preparing for another missile launch, sparked warnings from Washington and drove South Korea's stock market 1.2 percent lower. Japan's Nikkei lost almost 1 percent.

With Wall Street closed for the Labor Day holiday at the start of a week likely to become increasingly dominated by a number of central bank meetings, the fall in European stocks was less marked.

The pan-European STOXX 600 index lost 0.4 percent, led by a 0.7 percent fall in banks.

"The markets' reaction seems similar to when missile launches have taken place in the past. Investors sell stock, rush to safe havens, assess the

situation, and then buy the dips as tension eases," said Hussein Sayed, chief market strategist at brokers FXTM.

The dollar, down 0.3 percent against the basket of currencies used to measure its broader strength, fell 0.6 percent to 109.60 yen, having been as low as 109.22 and off a whole yen from late on Friday.

Investors tend to buy the yen in time of political or market tension on expectations Japanese investors will over time repatriate their money.

The Swiss franc, also viewed as a safe place to park money, rose 0.8 percent to 0.9579 per dollar.

Driven by the Korean losses, MSCI's broadest index of Asia-Pacific shares outside Japan slipped 0.7 percent.

Yields on German government bonds, regarded as among the world's lowest-risk assets, fell slightly. Benchmark 10-year yields were down 1 basis point at 0.37 percent while two-year yields dipped a similar amount to minus 0.76 percent, their lowest since April.

Safe-haven gold was up 0.8 percent at \$1,336 an ounce, having risen to \$1,339.47, its highest in nearly a year.

Tom Kendall, head of precious metals strategy at ICBC Standard Bank, saw potential for gold to rally further.

"We've got the geopolitics and we've also got a fairly benign interest rate environment. There's still nothing threatening coming out of the Fed recently," he said.

CENTRAL BANK MEETINGS

European Central Bank policymakers meet on Thursday, with expectations of any major shift towards reining in its bond-buying stimulus programme fading in recent weeks.

The euro's almost 14 percent rally against the dollar this year has stalled on signs that ECB officials were growing more concerned with the gains - and might wait far longer to tighten policy as a result.

The euro gained 0.4 percent but is almost 2 cents below the 2-1/2-year high it hit last week.

"The trend in recent months has been for knee-jerk risk-averse reactions to geopolitical events to be followed by a gradual recovery in risk sentiment as global monetary accommodation has its usual pacifying effect in markets," said Societe Generale strategist Kit Juckes.

"A repeat of that pattern seems eminently possible this week."

The dollar took some support on Friday from a strong ISM report on U.S. factories, which produced the highest reading since April 2011.

[\(Source Reuters – @ErwinRiset - @her1en\)](#)

GLOBAL ECONOMIES

Australia – Australian companies doled out the biggest increase in wages and salaries in two years last quarter in a promising boost to consumer spending power, though a rundown in inventories likely dragged on overall economic growth.

Monday's data from the Australian Bureau of Statistics showed gross company profits dipped 4.5 percent in the second quarter, from a gain of 6 percent in the first when earnings scaled record levels. Mining suffered a fall of more than 15 percent at pre-tax level.

But wages and salaries rose 1.2 percent, or A\$1.6 billion, in the three months to June in a sign that businesses are finally willing to share their fortunes with workers.

Household consumption accounts for about 57 percent of Australia's gross domestic product, so workers having more money to spend is a positive development.

There are also more people in work. Separate data out on Monday showed job advertisements climbed 2 percent in August, a sixth straight month of gains suggesting the strong pick up in employment seen so far this year could run for a while yet.

In all, corporate Australia seems to be in good shape.

An analysis by stockbroker CommSec shows 91 percent of 139 companies that reported full-year results in August posted a profit. While revenues are up only 6.5 percent on a year ago, profits have shot up over 62.9 percent and cash holdings have jumped 27 percent.

The reporting season has also revealed a more confident Australia Inc. For just the third results period since 2012 capital expenditure was guided higher. The upgrades are big and broad based, according to Credit Suisse. A measure of Australian business conditions and confidence were at its highest since early 2008, a survey showed last month, as company profits and employment stayed strong.

China – After surprising pretty much everyone with solid growth in the first half, China's economy has continued to motor along nicely with a flurry of data for August expected to show momentum will largely hold up through to the end of the year despite tighter policy.

Annual growth in the world's second-biggest economy picked up to 6.9 percent in the first six months of the year, as brightening global demand boosted Chinese shipments and resilient domestic consumption helped to cushion the impact of policy makers' efforts to reduce debt and cool the property market.

The growth momentum has surprised most China observers, especially in light of Beijing's campaign to wean the economy off a years-long debt-fueled binge, with early fears of a sharper downturn well and truly put to bed.

According to a Reuters poll of analysts, over the next few weeks a flurry of data for August is likely to back market expectations for growth to taper off only modestly from the first half's pace, with some such as smaller firms seen bearing the brunt of tightening financial conditions.

On the whole, the August data set should support views that China's economy will be in good heart heading into a key political meeting of the ruling Communist Party and give policy makers a comfortable cushion through to the end of the year to deepen much-needed reforms.

China's economic numbers so far have been encouraging in a boon to world trade even as risks to the global economy have increased this year from rising U.S. protectionism and growing tensions in the Korean peninsula.

Strong factory reports last week showed strength in the industrial sector continued through August, while Chinese demand has lifted commodities prices from steel to iron ore and underpinned a resurgence in global growth.

Most economists now forecast China's economy to slow only moderately through the end of the year and handily beat the government's 2017 growth target of around 6.5 percent.

In a surprising period of stability, China's gross domestic product growth has accelerated or remained stable for five consecutive quarters for the first time since at least the early 1990s.

Japan – Japan's central bank is already in the process of winding down its radical monetary policy and may also look at making changes to its long-term interest rate target in the near future, former board member Takahide Kiuchi said on Monday.

While Governor Haruhiko Kuroda may persist in achieving his 2 percent inflation target, BOJ bureaucrats working under him will seek to water down the target as Kuroda's term expires next April and the cost of its massive stimulus rises, Kiuchi said.

"The BOJ has already begun normalising policy since it shifted to yield curve control (YCC) last year, and that's the direction the bank seems to be heading," he told Reuters.

Kiuchi, who finished up his tenure as board member in July, was a sole proponent of tapering the BOJ's asset purchases and long warned of the pitfalls of Kuroda's monetary experiment.

Many of Kiuchi's criticisms have now gained support among some market participants, lawmakers and central bankers, including his caution over setting a binding timeframe for hitting the BOJ's elusive price target.

With inflation still subdued despite years of ultra-loose policy, the BOJ could re-define its inflation target to a more flexible one aimed over a longer timeframe, said Kiuchi, who is now executive economist at Nomura Research Institute.

The BOJ may also switch its long-term interest rate target to one targeting three- or five-year yields from the 10-year yield, as the shorter end of the curve is easier to control with fewer bond purchases, he added.

"YCC is a very fragile framework that won't be sustainable once the economy is hit with an external shock," Kiuchi said.

"Reviewing YCC and targeting yields for bonds with a shorter duration is one option. It's quite possible this could happen."

Under a policy framework adopted last September, the BOJ guides short-term rates to minus 0.1 percent and the 10-year bond yield around zero percent.

The BOJ also has a loose pledge to buy bonds so its holdings increase at an annual pace of 80 trillion yen (\$728.73 billion). But it has recently been slowing purchases to around 60 trillion yen as its huge purchases drain bond market liquidity.

Kiuchi warned the BOJ must further slow its buying to around 45 trillion yen per year, as the current pace of 60-trillion-yen would mean purchases hit the limit around mid-next year.

If the economy needs further monetary support, the only step left for the BOJ could be to abandon YCC and ramp up bond buying to finance big fiscal spending by the government, he said.

"There's not much left monetary policy can do to prop up the economy, and the cost of ultra-easy policy is becoming huge."

Euro Zone – Investor sentiment in the euro zone improved unexpectedly in September as concerns about the potential impact of a widening car emissions scandal in Germany and the development of the U.S. economy faded into the background, a survey showed on Monday.

The Frankfurt-based Sentix research group said its euro zone index rose to 28.2 points from 27.7 points in August. That compared with the consensus forecast of 27.4 in a Reuters poll.

"The data from Germany and the United States last month was disappointing. In both regions, the trend is reversing moderately," Sentix said.

Investors viewed the euro zone's current conditions a bit more sceptically, with a sub-index edging down to 39.8 in September from 40.0 in the previous month.

But expectations for economic developments in the euro zone improved, rising to 17.3 from 16.0, the survey showed.

An index tracking Germany, the euro zone's largest economy, rose to 34.0 in September from 33.2 in August.

"Low interest rates, increased state spending on refugees and high government subsidies are driving the domestic economy," Sentix said. "In addition, Germany is still benefitting from a relatively weak euro."

The survey chimed with last month's Ifo business sentiment index that showed German business confidence remained broadly stable after climbing to three record highs in a row, suggesting that a consumption-led upswing will continue.

Sentix polled 983 investors from Aug. 31 to Sept. 2.

UK – Growth in Britain's construction firms fell unexpectedly to a one-year low in August, hit by an investment slump in the commercial sector as Brexit uncertainty weighed on the economy, a survey showed on Monday.

Countering more upbeat news about the economy last week, the Markit/CIPS Construction Purchasing Managers' Index (PMI) fell to 51.1

from 51.9 in July, closer to the 50 mark that indicates stagnation. A Reuters poll of economists had pointed to a reading of 52.0.

Monday's PMI underlined the uncertain outlook for an economy that has become increasingly difficult for the Bank of England to gauge.

A similar survey of manufacturers published on Friday had hinted at a strengthening of economic growth in the second half of the year.

Britain's economy had its slowest first half of the year since 2012 as households came under pressure from a big rise in inflation following the fall in sterling caused by last year's Brexit vote.

So far, construction, manufacturing and exports have failed to compensate for the consumer slowdown.

Housebuilding was the only construction sector to generate significant growth during August, the PMI showed.

Civil engineering activity was broadly flat, while the commercial construction sector contracted at the fastest pace since July last year - just after Britain voted to leave the European Union.

"There were signs that UK construction firms are bracing for the soft patch to continue into this autumn, with fragile business confidence contributing to weaker trends for job creation and input buying during August," Tim Moore, an associate director at IHS Markit, said.

Survey compiler IHS Markit said the murky economic outlook for Britain weighed on commercial building, with clients delaying spending decisions or even scaling back projects.

New orders across construction as a whole fell for a second month, albeit not as sharply as in July.

Construction makes up around 6 percent of British economic output. The Markit/CIPS survey for the much larger services sector - which accounts for nearly 80 percent - is due at 0830 GMT on Tuesday.

Canada – The Bank of Canada is likely to leave interest rates unchanged at its Sept. 6 meeting and wait until October to raise them, allowing time for more data to show whether still-tame inflation pressure is picking up, a Reuters poll released on Friday showed.

While 24 of 33 economists surveyed in the past few days said an October rate hike was most likely, six forecast rates would rise on Wednesday to 1.0 percent, with several changing their view after a very strong second-quarter gross domestic product (GDP) report.

Another three said the next rate hike would be in January.

The BoC in July raised rates for the first time in seven years, surprising some who thought the central bank lacked inflationary evidence to do so. But the latest poll suggests the decision at this meeting would be more clear-cut.

Roughly two years after Canada's economy was hit hard by a sharp drop in the price of crude, a rebound in the major oil producer has made it the fastest grower among the Group of Seven most industrialized nations.

Second-quarter GDP growth clocked its best rate in nearly six years at an annualized 4.5 percent, topping all forecasts in a Reuters poll.

While that is welcome news, the BoC has a better opportunity to explain its policy in October when it updates its economic forecasts and holds a press conference, said Benjamin Reitzes, senior economist at BMO Capital Markets.

BoC officials have also refrained from making any public speeches since the July rate hike, which was preceded by several hawkish comments.

"With this bank you can't rule anything out. But after the pains they went through to signal July ... and then you get nothing, it just makes it difficult to believe they want to go again," said Reitzes.

While financial market pricing suggests a nearly 50 percent probability of a hike next week from around 20 percent ahead of the GDP figures on Thursday, traders have almost completely priced in a hike by October.

The Reuters poll pegged the odds of a Sept. 6 hike much lower, at 25 percent, and October at 75 percent.

"We expect the September meeting is too soon and the BoC would like to be more gradual," noted Credit Agricole CIB economists Evan Carmean and Michael Carey, who on Friday added an Oct. 25 rate rise to their call. Any further appreciation in the Canadian dollar, which is up about 9 percent since the start of the year, could also give the central bank reason for pause as that could hurt exports, a sector the bank has long looked to for stronger growth.

Still, analysts at CIBC, Scotiabank and 4CAST brought forward their rate hike forecasts to September after the second-quarter GDP data were published. National Bank, which still expects the BoC to wait until October to move, has penciled in an additional rate hike in December. The U.S. Federal Reserve is also forecast to raise the federal funds rate again in the fourth quarter. *(Source Reuters, Research – @her1en)*

WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
31-Aug - 07-Sep	N/A	JP	Official Reserve Assets	Aug		--	\$1260.0b	
Mon/04-Sep-17	06:50	JP	Monetary Base YoY	Aug	16.3%	15.6%	15.6%	
	06:50	JP	Monetary Base End of period	Aug	¥469.2t	--	¥468.3t	
	08:00	AU	Melbourne Institute Inflation MoM	Aug	0.1%	--	0.1%	
	08:00	AU	Melbourne Institute Inflation YoY	Aug	2.6%	--	2.7%	
	15:30	EZ	Sentix Investor Confidence	Sep	28.2	27.4	27.7	
	15:30	GB	Markit/CIPS UK Construction PMI	Aug	51.1	52	51.9	
	16:00	EZ	PPI MoM	Jul	0.0%	0.1%	-0.1%	-0.2%
	16:00	EZ	PPI YoY	Jul	2.0%	2.1%	2.5%	2.4%
	<i>All Day</i>	<i>CA</i>	<i>Bank Holiday/Labour Day</i>					
	<i>All Day</i>	<i>US</i>	<i>Bank Holiday/Labor Day</i>					
Tue/05-Sep-17	06:00	AU	CBA Australia PMI Services	Aug		--	57	
	06:00	AU	CBA Australia PMI Composite	Aug		--	56.7	
	06:00	KR	BoP Current Account Balance	Jul		--	\$5080m	
	06:00	KR	BoP Goods Balance	Jul		--	\$9706m	
	06:30	AU	AiG Perf of Services Index	Aug		--	56.4	
	07:30	HK	Nikkei Hong Kong PMI	Aug		--	51.3	
	07:30	JP	Nikkei Japan PMI Services	Aug		--	52	
	07:30	JP	Nikkei Japan PMI Composite	Aug		--	51.8	
	08:30	AU	BoP Current Account Balance	2Q		-A\$8.05b	-A\$3.1b	
	08:45	CN	Caixin China PMI Composite	Aug		--	51.9	
	08:45	CN	Caixin China PMI Services	Aug		--	51.5	
	N/A	AU	RBA Governor Lowe's Remarks at Board Dinner					
	11:30	AU	RBA Cash Rate Target	Sep-05		1.5%	1.5%	
	12:45	CH	GDP QoQ	2Q		0.5%	0.3%	
	12:45	CH	GDP YoY	2Q		1.1%	1.1%	

	14:15	CH	CPI EU Harmonized MoM	Aug		--	0.1%	
	14:15	CH	CPI EU Harmonized YoY	Aug		--	0.6%	
	14:15	CH	CPI MoM	Aug		0.0%	-0.3%	
	14:15	CH	CPI YoY	Aug		0.5%	0.3%	
	14:55	DE	Markit Germany Services PMI	Aug F		53.4	53.4	
	14:55	DE	Markit/BME Germany Composite PMI	Aug F		55.7	55.7	
	15:00	EZ	Markit Eurozone Services PMI	Aug F		54.9	54.9	
	15:00	EZ	Markit Eurozone Composite PMI	Aug F		55.8	55.8	
	15:30	GB	Markit/CIPS UK Services PMI	Aug		--	53.8	
	15:30	GB	Markit/CIPS UK Composite PMI	Aug		--	54.1	
	16:00	EZ	Retail Sales MoM	Jul		-0.1%	0.5%	
	16:00	EZ	Retail Sales YoY	Jul		2.5%	3.1%	
	16:00	EZ	GDP SA QoQ	2Q F		0.6%	0.6%	
	16:00	EZ	GDP SA YoY	2Q F		2.2%	2.2%	
	18:30	US	Fed's Brainard Speaks to The Economic Club of New York					
	21:00	US	Factory Orders	Jul		-3.2%	3.0%	
	21:00	US	Factory Orders Ex Trans	Jul		--	-0.2%	
	21:00	US	Durable Goods Orders	Jul F		--	-6.8%	
	21:00	US	Durables Ex Transportation	Jul F		--	0.5%	
	21:00	US	Cap Goods Orders Nondef Ex Air	Jul F		--	0.4%	
	21:00	US	Cap Goods Ship Nondef Ex Air	Jul F		--	1.0%	
Wed/06-Sep-17	00:10	US	Fed's Kashkari Holds Townhall Event in Minneapolis					
	06:00	US	Fed's Kaplan Speaks in Dallas					
	07:00	JP	Labor Cash Earnings YoY	Jul		--	-0.4%	
	07:00	JP	Real Cash Earnings YoY	Jul		--	-0.8%	
	08:30	AU	GDP SA QoQ	2Q		0.8%	0.3%	
	08:30	AU	GDP YoY	2Q		1.8%	1.7%	
	09:30	AU	RBA's Heath Gives Speech in Tasmania					
	13:00	DE	Factory Orders MoM	Jul		0.1%	1.0%	
	13:00	DE	Factory Orders WDA YoY	Jul		--	5.1%	
	14:30	DE	Markit Germany Construction PMI	Aug		--	55.8	
	15:10	EZ	Markit Eurozone Retail PMI	Aug		--	51	
	15:10	DE	Markit Germany Retail PMI	Aug		--	50.7	
	19:30	US	Trade Balance	Jul		-\$44.6b	-\$43.6b	
	20:45	US	Markit US Services PMI	Aug F		--	56.9	
	20:45	US	Markit US Composite PMI	Aug F		--	56	
	21:00	CA	Bank of Canada Rate Decision	Sep-06		0.75%	0.75%	
	21:00	US	ISM Non-Manf. Composite	Aug		55	53.9	
Thu/07-Sep-17	01:00	US	U.S. Federal Reserve Releases Beige Book					
	06:30	AU	AIg Perf of Construction Index	Aug		--	60.5	
	08:30	AU	Retail Sales MoM	Jul		0.3%	0.3%	
	08:30	AU	Trade Balance	Jul		A\$875m	A\$856m	
	N/A	CN	Foreign Reserves	Aug		--	\$3080.7b	
	12:00	JP	Leading Index CI	Jul P		--	105.9	
	12:00	JP	Coincident Index	Jul P		--	117.1	
	13:00	DE	Industrial Production SA MoM	Jul		0.6%	-1.1%	
	13:00	DE	Industrial Production WDA YoY	Jul		--	2.4%	
	15:30	HK	Foreign Reserves	Aug		--	\$413.3b	
	18:45	EZ	ECB Main Refinancing Rate	Sep-07		0.0%	0.0%	
	18:45	EZ	ECB Marginal Lending Facility	Sep-07		--	0.25%	
	18:45	EZ	ECB Deposit Facility Rate	Sep-07		-0.4%	-0.4%	
	18:45	EZ	ECB Asset Purchase Target	Sep		--	EU60b	
	19:30	US	Initial Jobless Claims	Sep-02		--	236k	
	19:30	US	Continuing Claims	Aug-26		--	1942k	
	19:30	US	Productivity Revised	2Q F		1.0%	0.9%	
	19:30	US	Labor Costs Revised	2Q F		0.5%	0.6%	
	21:00	CA	Ivey Purchasing Managers Index SA	Aug		--	60	
	22:00	US	DOE U.S. Crude Oil Inventories	Sep-01		--	-5392k	
	22:00	US	DOE U.S. Distillate Inventory	Sep-01		--	748k	

	22:00	US	DOE U.S. Gasoline Inventories	Sep-01		--	35k	
	23:15	US	Fed's Mester on Economic Outlook and Monetary Policy					
Fri/08-Sep-17	05:45	NZ	Mfg Activity SA QoQ	2Q		--	2.8%	
	05:45	NZ	Mfg Activity Volume QoQ	2Q		--	-0.3%	
	06:00	US	Fed's Dudley Speaks on U.S. Economic Outlook, Monetary Policy					
	06:50	JP	BoP Current Account Adjusted	Jul		¥1664.0b	¥1522.5b	
	06:50	JP	Trade Balance BoP Basis	Jul		--	¥518.5b	
	06:50	JP	BoP Current Account Balance	Jul		¥2058.6	¥934.6b	
	06:50	JP	GDP SA QoQ	2Q F		--	1.0%	
	06:50	JP	GDP Annualized SA QoQ	2Q F		--	4.0%	
	06:50	JP	GDP Nominal SA QoQ	2Q F		--	1.1%	
	06:50	JP	GDP Deflator YoY	2Q F		--	-0.4%	
	06:50	JP	GDP Private Consumption QoQ	2Q F		--	0.9%	
	06:50	JP	GDP Business Spending QoQ	2Q F		--	2.4%	
	07:30	US	Fed's Bostic to Discuss Economy at New Orleans Forum					
	N/A	CN	Trade Balance CNY	Aug		--	321.20b	
	N/A	CN	Imports YoY CNY	Aug		--	14.7%	
	N/A	CN	Exports YoY CNY	Aug		--	11.2%	
	N/A	CN	Imports YoY	Aug		10.0%	11.0%	
	N/A	CN	Exports YoY	Aug		6.6%	7.2%	
	N/A	CN	Trade Balance	Aug		\$49.30b	\$46.74b	
	10:00	AU	RBA's Debelle Participates in Panel in Sydney					
	12:45	CH	Unemployment Rate	Aug		--	3.0%	
	12:45	CH	Unemployment Rate SA	Aug		--	3.2%	
	13:00	DE	Trade Balance	Jul		--	21.2b	
	13:00	DE	Current Account Balance	Jul		--	23.6b	
	13:00	DE	Exports SA MoM	Jul		1.25%	-2.8%	
	13:00	DE	Imports SA MoM	Jul		3.0%	-4.5%	
	15:30	AU	RBA Governor Lowe Gives Speech in Sydney					
	15:30	GB	Industrial Production MoM	Jul		--	0.5%	
	15:30	GB	Industrial Production YoY	Jul		--	0.3%	
	15:30	GB	Manufacturing Production MoM	Jul		--	0.0%	
	15:30	GB	Manufacturing Production YoY	Jul		--	0.6%	
	15:30	GB	Construction Output SA MoM	Jul		--	-0.1%	
	15:30	GB	Construction Output SA YoY	Jul		--	0.9%	
	15:30	GB	Visible Trade Balance GBP/Mn	Jul		--	£12722	
	15:30	GB	Trade Balance Non EU GBP/Mn	Jul		--	£4471	
	15:30	GB	Trade Balance	Jul		--	£4564	
	15:30	GB	BoE/TNS Inflation Next 12 Mths	Aug		--	2.8%	
	19:00	GB	NIESR GDP Estimate	Aug		--	0.2%	
	19:30	CA	Capacity Utilization Rate	2Q		--	83.3%	
	19:30	CA	Net Change in Employment	Aug		--	10.9k	
	19:30	CA	Unemployment Rate	Aug		--	6.3%	
	19:30	CA	Full Time Employment Change	Aug		--	35.1	
	19:30	CA	Part Time Employment Change	Aug		--	-24.3	
	19:30	CA	Participation Rate	Aug		--	65.7	
	19:45	US	Fed's Harker Speaks on Consumer Finance in Philadelphia					
	21:00	US	Wholesale Inventory	Jul		--	0.4%	
	21:00	US	Wholesale Sales	Jul		--	0.7%	
	02:00	US	Consumer Credit	Jul		15b	12.4b	
Sat/09-Sep-17	00:00	US	Baker Hughes U.S. Rig Count	09-Sep		--	943	
	02:00	US	Consumer Credit	Jul		\$15.500b	\$12.397b	
	08:30	CN	CPI YoY	Aug		1.6%	1.4%	
	08:30	CN	PPI YoY	Aug		5.4%	5.5%	

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

ASIAN STOCK INDICATORS – *Daily Outlook*

Japan's Nikkei share average stumbled on Monday after North Korea conducted its most powerful nuclear test yet, and some traders expect more selling when the United States reopens after Monday's holiday.

The Nikkei fell 0.9 percent to 19,508.25, slipping from Friday's two-week high while the broader Topix declined 1.0 percent to 1,603.55

North Korea conducted its sixth and most powerful nuclear test on Sunday, detonating what it said was an advanced hydrogen bomb for a long-range missile, prompting the threat of a "massive" military response from the United States if it or its allies were threatened.

All but three of the Tokyo Stock Exchange's 33 industry subindexes were down, with about 90 percent of shares on the main board declining.

"Few investors are trading today. So in that sense, markets are not fully digesting all the factors. I would say we could see more downside moves," said a trader at a Japanese brokerage.

After North Korea's previous nuclear test on Sept 9, 2016, Japanese shares ended almost flat, only to suffer a sharp fall the following Monday after big losses on Wall Street. The S&P 500 fell 2.4 percent on that day.

But traders suspect the market will soon rebound once the initial fears stemming from the nuclear test fades.

"Markets do not expect the nuclear test to lead to an immediate military confrontation. People have learned that markets will take North Korea's actions in their stride," said Takashi Hiroki, chief strategist at Monex Securities.

"Some investors will see the fall as a good bargain-hunting opportunity," he added.

While many institutional investors stayed on the sidelines, Japanese retail investors sold small-cap shares, which have been popular in recent months.

Among them mobile game developer Klab fell as much as 10 percent to a 2-1/2-month low and ended down 4.3 percent.

Topix small fell 1.7 percent while Topix 100 dropped 0.8 percent.

The index of Mothers start-up shares dropped 2.9 percent, edging near the three-month low it touched in mid-August.

Bucking the trend, property and casualty insurer Sampo Holdings rose 3.6 percent after the company announced late on Friday that it would sell its British Sampo Canopus unit to streamline its overseas businesses.

Ishikawa Seisakusho, which makes naval mines, soared by up to 17 percent on rising North Korea tensions, before closing 5.7 percent higher.

Toyota Motor shares were down 0.2 percent, outperforming the overall market, after the company reported strong U.S. sales in August.

South Korean shares and won ended at multi-week lows on Monday following North Korea's most powerful nuclear test to date and amid concerns Pyongyang may be preparing more missile launches.

The Korea Composite Stock Price Index (KOSPI) ended 1.2 percent lower at 2,329.65 points, its weakest closing level in three weeks.

The won was quoted at 1,133.0 to the dollar at the conclusion of onshore trade, down 0.9 percent versus Friday's close of 1,122.8. It was the lowest closing level since Aug. 21.

South Korea's defence ministry said in a parliamentary hearing on Monday that it continues to detect signs that North Korea is preparing more ballistic missile launches.

Risk measures such as the spread on South Korea's 5-year credit default swaps finished at 63.3 basis points, its widest since Aug. 21, while risk reversals in won options hiked to 2.5 points, its highest since Aug 14.

Offshore investors largely trimmed net purchases of local equities as geopolitical risks escalated again in the Korean peninsula. They ended the day having net bought 4.4 billion won (\$3.89 million) worth of KOSPI shares, down from 94.1 billion near mid-session.

South Korea's finance ministry official said 50-year treasury bonds may be issued in October if there is enough market demand and the movement in bond yields due to North Korea is one of the factors considered.

Hong Kong stocks followed regional markets lower on Monday, after North Korea's latest nuclear test heightened geopolitical tensions.

North Korea on Sunday conducted its sixth and most powerful nuclear test, which it said was of an advanced hydrogen bomb for a long-range missile, prompting the threat of a "massive" military response from the United States if it or its allies were threatened.

The Hang Seng index fell 0.8 percent, to 27,740.26, while the China Enterprises Index lost 0.9 percent, to 11,182.67 points.

The market has risen more than a quarter so far this year on the back of robust earnings growth at Chinese companies that reflects a strong recovery in China's economy.

However, UBS strategist Gao Ting warned that rising raw material prices - which helped boost earnings at Chinese resource firms - could squeeze margins in certain downstream sectors such as power generation, petrochemicals, white goods, food processing and apparel.

Most sectors fell on Monday, with properties and industrial firms among the biggest losers.

China's major indexes ended at fresh 20-month highs on Monday despite heightened geopolitical tensions, as investors downplayed the longer-term impact on stocks from North Korea's latest nuclear test.

The blue-chip CSI300 index rose 0.4 percent, to 3,845.62 points, while the Shanghai Composite Index also gained 0.4 percent to 3,379.58 points.

North Korea on Sunday conducted its sixth and most powerful nuclear test, which it said was of an advanced hydrogen bomb for a long-range missile, prompting the threat of a "massive" military response from the United States if it or its allies were threatened.

But Chinese equity markets, which have in the past largely ignored sabre rattling on the Korean peninsula, remained clam.

"The nuclear test by North Korea could influence the risk appetite for the short-term, though in our view it will not have an enduring impact on the A-share market," domestic brokerage Essence Securities wrote in a report.

Investors at home and abroad appear to be increasingly optimistic about China's economy, as they start to plough more money into the country's stock markets, at a time when the yuan has also climbed to 14-month highs against the dollar.

Overseas investors spent a net 27 billion yuan (\$4.13 billion) buying mainland shares in August via the cross-border Connect schemes, according to state media, representing the biggest monthly inflow this year. That has pushed the premium Chinese shares command over their Hong Kong peers to the highest in more than a year.

Sector performance was mixed. Banking stocks rose 0.9 percent, snapping a three-day losing streak.

"The national team continued to substantially increase its exposure to financial stocks in the second quarter and will unlikely substantially withdraw its presence from the A-share market in the near term," Gao Ting, Head of China Strategy at UBS Securities, wrote in a report.

(Source Reuters, Research: @ErwinRiset)

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)	28127.90 (30/Aug/2017)	22179.11 (08/Aug/2017)	2490.87 (08/Aug/2017)	3381.92520 (01/Sep/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 – 04 September 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	HOLIDAY	↑ 39.46/ 0.18%	.N225	19508.25	↓ 183.22/0.93%
/.SPX	HOLIDAY	↑ 4.90/ 0.20%	.KS200	304.19	↓ 3.59/1.17%
/.IXIC	HOLIDAY	↑ 6.669/ 0.10%	.HSI	27740.26	↓ 212.90/0.76%
JPY=	109.72	↓ 0.53/ 0.48%	/.SSEC	3379.83640	↑ 12.71700/0.38%
KRW=	1132.39	↑ 11.7/ 1.04%	/CLc1 (Oil)	47.37	↑ 0.08/0.17%

SSIamU7 (Nikkei Sep Futures) – Last Trading Date: 07 Sep 2017



- Reversal develops, facing crucial support at 19300
 - Strong support at 19140
 - Consider the trendline support area around 18900
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
04 Sep SSIpmU7	19465	19545	19440	105	19520	---	↑ 90	0.46	37321
04 Sep SSIamU7	19565	19625	19425	200	19430	19430	↓ 265	1.35	77223
01 Sep SSIpmU7	19700	19730	19670	60	19685	---	↓ 10	0.05	27231
01 Sep SSIamU7	19700	19740	19620	120	19695	19695	UNCH	UNCH	50209
31 Aug SSIpmU7	19665	19735	19640	95	19680	---	↓ 15	0.08	21692
31 Aug SSIamU7	19565	19705	19560	145	19695	19695	↑ 140	0.72	60299
30 Aug SSIpmU7	19560	19590	19490	100	19565	---	↑ 10	0.05	21781
30 Aug SSIamU7	19470	19560	19430	130	19555	19555	↑ 165	0.85	62385
29 Aug SSIpmU7	19380	19500	19240	260	19475	---	↑ 85	0.44	38575
29 Aug SSIamU7	19155	19395	19140	255	19390	19390	↓ 30	0.15	88714

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
19625	19425	19740	19425	20100	19140	20290	18190
(04/Sep)	(04/Sep)	(01/Sep)	(04/Sep)	(02/Aug)	(29/Aug)	(20/Jun)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	20100	High 02/Aug/2017 (Reaction high)
	19860	Pivot line
	19820	Reaction high (hourly)
	19625	Reaction high (hourly)
SUPPORT	19300	Crucial level
	19240	Reaction low (hourly)
	19140	Low 29/Aug/2017 (Bottom)
	19055	Low 26/Apr/2017
RECOMMENDATION	BUY	----
	SELL	19590
	STOP LOSS	19670
	TARGET	19450 19350

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



- Strong support at 302.30 is intact, having initially opened with a gap down at 303.10
- The rebound then develops to face the trendline resistance around 309.00
- Be alert of a limited rebound following daily trend tends bearish
[\[Research – @ErwinRiset\]](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
04 Sep	303.10	306.60	303.00	3.60	304.85	304.85	↓ 2.80	0.91	219499
01 Sep	309.10	309.50	306.85	2.65	307.65	307.65	↓ 0.35	0.11	175475
31 Aug	309.90	310.55	307.40	3.15	308.00	308.00	↓ 2.35	0.76	173453
30 Aug	309.50	310.35	308.65	1.70	310.35	310.35	↑ 1.85	0.60	119325
29 Aug	307.95	309.10	304.45	4.65	308.50	308.50	↓ 1.05	0.34	278950
28 Aug	311.10	312.05	309.35	2.70	309.55	309.55	↓ 2.05	0.66	161149

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
306.60 (04/Sep)	303.00 (04/Sep)	309.50 (01/Sep)	303.00 (04/Sep)	319.45 (01/Aug)	302.30 (11/Aug)	322.75 (25/Jul)	259.25 (02/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	312.05	High 28/Aug/2017
	310.55	High 31/Aug/2017
	309.50	High 01/Sep/2017
	306.60	High 04/Sep/2017
SUPPORT	303.00	Low 04/Sep/2017
	302.30	Low 11/Aug/2017 (Bottom)
	301.40	Low 24/May/2017
	299.00	Low 22/May/2017
RECOMMENDATION	BUY	304.10
	SELL	----
	STOP LOSS	302.90
	TARGET	306.25 307.30

HSIU7 (Hang Seng September Futures) – Exp. Date: 28 Sep 2017



- Correction is facing crucial support at 27600
 - If 27600 breaks, potential trigger a downtrend to the support area of 26800
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
04 Sep	27807	27870	27611	259	27757	27756	↓ 113	0.41	109967
01 Sep	27980	28050	27851	199	27870	27869	↓ 69	0.25	101179
31 Aug (HSIU7)	27932	27966	27820	146	27939	27937	↓ 40	0.14	104355
30 Aug (HSIU7)	27750	28008	27740	268	27979	27979	↑ 377	1.37	112511
30 Aug (HSIQ7)	27877	28031	27871	160	28020	28020	↑ 297	1.07	20954
29 Aug (HSIU7)	27690	27702	27517	185	27602	27602	↓ 145	0.52	95793
29 Aug (HSIQ7)	27807	27839	27659	180	27723	27723	↓ 169	0.61	124891

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
27870	27611	28050	27611	28071	26834	28071	21863
(04/Sep)	(04/Sep)	(01/Sep)	(04/Sep)	(28/Aug)	(11/Aug)	(28/Aug)	(03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	28190	50% Fib. Projection
	28178	High 28/May/2015
	28071	High 28/Aug/2017
	27968	Reaction high (hourly)
SUPPORT	27600	Pivot line (daily)
	27433	Low 25/Aug/2017
	27130	Low 22/Aug/2017
	26924	Low 18/Aug/2017 (Reaction low)
RECOMMENDATION	BUY	----
	SELL	27860
	STOP LOSS	27970
	TARGET	27660 27570

CURRENCIES – Daily Outlook

Euro shines on broad dollar weakness - Reuters News



The euro clung to most of its recent gains on Monday while the dollar struggled against a broad swathe of currencies and its

trade-weighted basket approached a 2-1/2 year low.

It suffered from a rush to unwind currency bets following North Korea's latest nuclear tests.

"The bigger story here is one of broad dollar weakness ... (and) it doesn't look very positive for the greenback in the near term," said Alvin Tan, an FX strategist at Societe Generale in London.

Both the Japanese yen and the Swiss franc notched up gains against the dollar after news on Sunday of North Korea's sixth and most powerful nuclear test, prompting the United States to warn of a "massive" military response if it or its allies were threatened.

Even the Chinese currency traded in the overseas market rose to a 15-month high against the U.S. dollar on Monday.

"The reaction in the markets is a classic risk-off reaction to the geopolitical events but a notable exception is the continued euro strength," said Neil Jones, head of hedge fund sales at Mizuho Bank Ltd in London.

The euro rose half a percent against the dollar to \$1.19 and not far away from a 2-1/2 year high above \$1.20 hit last Tuesday. It is up more than 13 percent against the dollar this year and is the best performing currency in the G10 space.

The euro's price action on Monday was all the more surprising given the overhang of long bets on the single currency that have grown rapidly this year and before the European Central Bank policy meeting this week.

Latest positioning data showed long euro positions at their biggest in five years.

That rise has come at a time when expectations of the ECB announcing a timeline for a withdrawal of its bond purchase plans have reduced sharply in three weeks to less than a fifth from over half of the total number of analysts in Reuters polls.

Morgan Stanley strategists do not expect any pushback from ECB policymakers on the euro's strength as the currency has been rising on the back of strengthening economic fundamentals.

Moreover, the ECB has a noticeable bias of talking about the currency when it is on a weaker trajectory, according to data-mining of all the ECB policy statements and news conferences since 1998.

In its last statement in July, the currency had a low number of mentions of 9 times, they said.

However, price action was subsiding after the morning flurry as Wall Street traders do not return from the Labor Day holiday until Tuesday in a week filled with central bank meetings that are expected to dominate market attention.

Apart from the European Central Bank, both Australia and Canada's central banks also have policy meetings.

The broader dollar index was down 0.3 percent at 92.56 and not far away from a 2-1/2-year low below 92 last week. [\(Source Reuters, Research – @her1en\)](#)

EUR/USD

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



- Correction faces the support area at 1.1661
- Crucial resistance around 1.1985
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 04	1.18770	1.19208	1.18760	44,8	1.18932	↑ 26,5	1.18667
Sep 01	1.19193	1.19776	1.18478	129,8	1.18667	↓ 39,4	1.19061
Aug 31	1.18930	1.19117	1.18221	89,6	1.19061	↑ 23,6	1.18825
Aug 30	1.19678	1.19832	1.18794	103,8	1.18825	↓ 88,5	1.19710
Aug 29	1.19769	1.20693	1.19453	124,0	1.19710	↓ 5,7	1.19767

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.19208 (04/Sep)	1.18760 (04/Sep)	1.19776 (01/Sep)	1.18478 (01/Sep)	1.20693 (29/Aug)	1.16611 (17/Aug)	1.20693 (29/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
	1.1984	High Aug 30
SUPPORT	1.1771	Low Aug 25
	1.1729	Low Aug 21
	1.1661	Low Aug 17
	1.1611	Low July 26
RECOMMENDATION	BUY	-----
	SELL	1.1920
	STOP LOSS	1.1985
	TARGET	1.1850 1.1820

USD/JPY

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



- Crucial level at 109.90 is being tested
- Correction is likely to face the support area at 108.80 - 108.25 if it fails to hold above 109.90
- While the resistance area at 110.66 - 111.04
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 04	109.819	109.923	109.372	55,1	109.666	↓ 55,4	110.220
Sep 01	109.923	110.488	109.540	94,8	110.220	↑ 24,8	109.972
Aug 31	110.228	110.660	109.869	79,1	109.972	↓ 25,1	110.223
Aug 30	109.628	110.428	109.530	89,8	110.223	↑ 48,5	109.738
Aug 29	108.778	109.887	108.256	163,1	109.738	↑ 50,6	109.232

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
109.923 (04/Sep)	109.372 (04/Sep)	110.488 (01/Sep)	109.372 (04/Sep)	111.038 (04/Aug)	108.256 (29/Aug)	118.60 (03/Jan)	108.14 (17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	112.18	High 26/Jul/2017 (Reaction high)
	111.33	High 28/Jul/2017
	111.04	High 04/Aug/2017 (Reaction high)
	110.66	High 31/Aug/2017 (Reaction high)
SUPPORT	108.25	Low 29/Aug/2017
	108.11	Low 17/Apr/2017 (Bottom)
	107.74	Low 15/Nov/2016
	106.51	Low 14/Nov/2016
RECOMMENDATION	BUY	----
	SELL	109.85
	STOP LOSS	110.70
	TARGET	109.00 108.50

GBP/USD

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



- Still limited and volatile moves in the range of 1.2900 - 1.3000
- If the area of 1.2900 is intact, it will support the uptrend since it registered the bottom at 1.2770
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 04	1.29609	1.29649	1.29114	53,5	1.29169	↓ 38,6	1.29555
Sep 01	1.29254	1.29931	1.29043	88,8	1.29555	↑ 74,4	1.28811
Aug 31	1.29234	1.29337	1.28514	82,3	1.28811	↓ 40,4	1.29215
Aug 30	1.29195	1.29368	1.28773	59,5	1.29215	↑ 4,1	1.29174
Aug 29	1.29287	1.29775	1.29131	64,4	1.29174	↓ 12,8	1.29302

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.29649 (04/Sep)	1.29114 (04/Sep)	1.29931 (01/Sep)	1.29043 (01/Sep)	1.32665 (03/Aug)	1.27728 (24/Aug)	1.32665 (03/Aug)	1.1986 (16/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3264	High 03/Aug/2017 (Peak)
	1.3164	High 04/Aug/2017
	1.3060	High 07/Aug/2017
	1.3030	High 11/Aug/2017 (Reaction high)
SUPPORT	1.2849	Low 31/Aug/2017
	1.2770	Low 24/Aug/2017
	1.2703	Low 26/Jun/2017
	1.2639	Reaction low (hourly)
RECOMMENDATION	BUY	1.2905
	SELL	----
	STOP LOSS	1.2835
	TARGET	1.3000 1.3045

USD/CHF

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



- Correction is testing the crucial level at 0.9580 - 0.9540
- If it fails to hold above that area, correction will likely develop to the range of 0.9436 - 0.9428
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 04	0.96086	0.96166	0.95506	66,0	0.95894	↓ 57,3	0.96467
Sep 01	0.95815	0.96513	0.95443	107,0	0.96467	↑ 60,8	0.95859
Aug 31	0.96220	0.96785	0.95811	97,4	0.95859	↓ 48,9	0.96348
Aug 30	0.95498	0.96442	0.95372	107,0	0.96348	↑ 82,7	0.95521
Aug 29	0.95184	0.95592	0.94269	132,3	0.95521	↑ 0,5	0.95516

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.96166 (04/Sep)	0.95506 (04/Sep)	0.96513 (01/Sep)	0.95443 (01/Sep)	0.97715 (08/Aug)	0.94269 (29/Aug)	1.0335 (03/Jan)	0.94269 (29/Aug)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.9825	High 18/May/2017
	0.9808	High 30/May/2017 (Reaction high)
	0.9772	High 08/Aug/2017 (Reaction high)
	0.9696	High 23/Aug/2017 (Reaction high)
SUPPORT	0.9537	Low 30/Aug/2017
	0.9428	Low 29/Aug/2017
	0.9379	Low 26/Aug/2015
	0.9295	Low 25/Aug/2015
RECOMMENDATION	BUY	----
	SELL	0.9620
	STOP LOSS	0.9700
	TARGET	0.9550 0.9505

AUD/USD

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



- Moves in trend channel, with daily correction
- Opportunity to move around 0.7800 - 0.8065
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 04	0.79591	0.79716	0.79419	29,7	0.79468	↓ 21,8	0.79686
Sep 01	0.79445	0.79918	0.79205	71,3	0.79686	↑ 25,2	0.79434
Aug 31	0.79028	0.79488	0.78702	78,6	0.79434	↑ 50,1	0.78933
Aug 30	0.79476	0.79946	0.78891	105,5	0.78933	↓ 54,9	0.79482
Aug 29	0.79370	0.79818	0.79043	77,5	0.79482	↓ 19,2	0.79674

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.79716 (04/Sep)	0.79419 (04/Sep)	0.79918 (01/Sep)	0.79205 (01/Sep)	0.80416 (01/Aug)	0.78067 (15/Aug)	0.80646 (27/Jul)	0.7182 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.8295	High Jan 15, 2015 (Reaction high)
	0.8162	High May 14, 2015
	0.8065	High July 27
	0.8042	High 01/Aug/2017
SUPPORT	0.7863	Low Aug 24
	0.7812	Low Aug 16
	0.7721	Low July 14
	0.7630	Low July 12
ECOMMENDATION	BUY	-----
	SELL	0.7965
	STOP LOSS	0.8025
	TARGET	0.7895 0.7865

NZD/USD

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



- Head & Shoulders pattern supports bearish signal
- Correction facing the support area at 0.7100 - 0.7050
[\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 04	0.71628	0.71812	0.71552	26,0	0.71671	↑ 2,7	0.71644
Sep 01	0.71752	0.72047	0.71446	60,1	0.71644	↓ 12,3	0.71767
Aug 31	0.72017	0.72087	0.71305	78,2	0.71767	↓ 23,2	0.71999
Aug 30	0.72500	0.72766	0.71880	88,6	0.71999	↓ 54,4	0.72543
Aug 29	0.72430	0.72974	0.72167	80,7	0.72543	↓ 7	0.72550

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.71812	0.71552	0.72047	0.71446	0.75239	0.71305	0.75570	0.68166
(04/Sep)	(04/Sep)	(01/Sep)	(01/Sep)	(01/Aug)	(31/Aug)	(27/Jul)	(11/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7473	High Aug 02
	0.7454	High Aug 04
	0.7335	High Aug 22
	0.7298	High 29/Aug/2017
SUPPORT	0.7112	Low June 05
	0.7054	Low June 01
	0.7005	Low May 26
	0.6910	Low May 22
RECOMMENDATION	BUY	-----
	SELL	0.7175
	STOP LOSS	0.7235
	TARGET	0.7105 0.7075

EUR/JPY

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



- Beware of the downtrend phase will start after correction tests and breaks the trendline support area
- Correction faces the support area at 129.00, with crucial support at 128.34

[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 04	130.436	130.681	130.077	60,4	130.429	↓ 36,9	130.798
Sep 01	131.028	131.315	130.633	68,2	130.798	↓ 13,9	130.937
Aug 31	131.093	131.558	130.680	87,8	130.937	↓ 4,5	130.982
Aug 30	131.204	131.678	130.946	73,2	130.982	↓ 31,4	131.296
Aug 29	130.283	131.596	129.629	196,7	131.296	↑ 45,6	130.840

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
130.681	130.077	131.315	130.077	131.678	127.532	131.678	114.87
(04/Sep)	(04/Sep)	(01/Sep)	(04/Sep)	(30/Aug)	(18/Aug)	(30/Aug)	(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)
	131.70	High 30/Aug/2017
SUPPORT	129.63	Low 29/Aug/2017
	129.09	Low 25/Aug/2017
	127.82	Low 21/Aug/2017
	127.42	Low 06/Jul/2017 (Reaction low)
RECOMMENDATION	BUY	----
	SELL	130.95
	STOP LOSS	131.80
	TARGET	130.00 129.50

USD/CAD

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



- Crucial level at 1.2412 is being tested
 - Be alert of any potential correction if it fails to hold above 1.2412
- [\(Research – @ErwinRiset\)](#)

WEEKLY OPEN	CURRENT PRICE
1.2399	1.2411

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2428 (04/Sep)	1.2373 (04/Sep)	1.2491 (01/Sep)	1.2337 (01/Sep)	1.2778 (15/Aug)	1.2438 (29/Aug)	1.3793 (05/May)	1.2337 (01/Sep)

ANALYSIS & RECOMMENDATION		
RESISTANCE	1.2778	High 15/Aug/2017
	1.2740	Reaction high (hourly)
	1.2691	High 18/Aug/2017 (Reaction high)
	1.2491	High 01/Sep/2017
SUPPORT	1.2302	Low 29/Jun/2015 (Reaction low)
	1.2273	Low 24/Jun/2015 (Reaction low)
	1.2210	Low 19/Jun/2015
	1.2124	Low 18/Jun/2015 (Bottom)
RECOMMENDATION	BUY	----
	SELL	1.2435
	STOP LOSS	1.2500
	TARGET	1.2350 – 1.2300

Precious Metal – *Daily Outlook*

Gold hits highest price in nearly a year as N.Korea tensions rise - Reuters News



Gold prices shot up on Monday to their highest levels in close to a year as investors bought safe-haven assets on worries that North Korea might launch more missiles after its sixth and largest nuclear test.

A weaker dollar also underpinned gold, which is likely to continue its upward momentum in the coming days, said Tom Kendall, head of precious metals strategy at ICBC Standard Bank.

"We've got the geopolitics and we've also got a fairly benign interest rate environment. There's still nothing threatening coming out of the Fed," he said, referring to the U.S. central

bank.

Gold is highly sensitive to rising interest rates because they increase the opportunity cost of holding non-yielding bullion while boosting the dollar, in which gold is priced.

Spot gold was up 0.72 percent at \$1,334.10 an ounce by 1337 EDT (1737) GMT, having touched its strongest level since late September at \$1,339.47.

U.S. gold futures for December delivery were up 0.68 percent at \$1,339.20.

South Korea said on Monday it was talking to the United States about deploying aircraft carriers and strategic bombers to the Korean peninsula after signs that North Korea might launch more missiles.

A key target for spot gold was around \$1,375, the high reached after last year's Brexit vote, Kendall added.

"If you've got a momentum-type trading model, things have been pretty good," he said. "It's not looking overextended or overbought just yet, so I think we can definitely get up to that \$1,375 level."

Stephanie Aymes, head of technical analysis at Societe Generale, pegged another key level for gold at \$1,350/\$1,356, based on a multi-year "inverse head-and-shoulders" formation.

"This will be a major hurdle to be watched out for," she said in a note.

The Japanese yen and sovereign bonds also climbed on Monday as North Korea's nuclear test provoked a knee-jerk shift to assets perceived as less risky while stocks markets fell.

Silver rose 1.11 percent to \$17.88 an ounce, having hit its highest level since late April at \$17.90.

Platinum gained 0.2 percent to \$1,006.50. It had previously marked its highest price since early March at \$1,014.70.

Palladium dipped 0.41 percent to \$976.50 after touching \$1,001, its highest price since February 2001.

The metal used in catalytic converters surged 5 percent on Friday, registering its biggest one-day jump since March 2016 after some U.S. automakers reported better-than-expected August sales and on an expected rise in demand from Houston to replace flood-damaged vehicles after Hurricane Harvey.

"The way palladium has moved and the speed at which it's moved since the beginning of August, I think it's getting to the point at which you would be very cautious of a significant correction back into the mid-to-low 900s over the next month or so," Kendall said.

[\(Source Reuters, Research – @her1en\)](#)

GOLD (XAU/USD)



- The rebound continues, tests and breaks the upperline of trend channel area
- Rebound faces resistance around 1337
- While the crucial support area is around 1300
[\[Research – @her1en\]](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Sep 04	1336.000	1339.660	1331.730	7.93	1334.120	↑ 9.20	1324.920	1334.60	1333.10
Sep 01	1321.540	1328.415	1316.290	12.13	1324.920	↑ 3.73	1321.190	1318.40	1320.40
Aug 31	1308.770	1323.500	1298.800	24.70	1321.190	↑ 12.63	1308.560	1305.80	1311.75
Aug 30	1309.710	1313.550	1305.050	8.50	1308.560	↓ 0.81	1309.370	1310.60	1308.50
Aug 29	1317.460	1325.870	1304.920	20.95	1309.370	↓ 0.35	1309.720	1323.40	1318.65

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1339.660 (04/Sep)	1331.730 (04/Sep)	1339.660 (04/Sep)	1316.290 (01/Sep)	1325.870 (29/Aug)	1251.380 (08/Aug)	1339.660 (04/Sep)	1146.31 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1367.33	High 02/Aug/2016 (Peak)
	1352.65	High 07/Sep/2016 (Peak)
	1343.64	High Sept 22, 2016 (Peak)
	1339.47	High Sept 04
SUPPORT	1300.35	Low Aug 31
	1291.50	Low Aug 28
	1280.20	Low Aug 21
	1267.81	Low Aug 16
RECOMMENDATION	BUY	1331.50
	SELL	-----
	STOP LOSS	1322.00
	TARGET	1342.30 1347.00

SILVER (XAG/USD)



- If 17.75 is broken significantly, the rally faces the resistance area at 18.00, with strong resistance at 18.64
- While the crucial support area is around 16.90
[\[Research - @her1en\]](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 04	17.839	17.930	17.767	0.16	17.864	↑ 0.16	17.703
Sep 01	17.557	17.735	17.405	0.33	17.703	↑ 0.15	17.554
Aug 31	17.410	17.608	17.258	0.35	17.554	↑ 0.15	17.403
Aug 30	17.377	17.463	17.288	0.18	17.403	↑ 0.04	17.363
Aug 29	17.525	17.647	17.262	0.38	17.363	↓ 0.07	17.432

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.930	17.767	17.930	17.405	17.647	16.108	18.63	14.334
(04/Sep)	(04/Sep)	(04/Sep)	(01/Sep)	(29/Aug)	(07/Aug)	(17/Apr)	(07/Jul)

ANALYSIS & RECOMMENDATION

RESISTANCE	18.99	High 09/Nov/2016 (Peak)
	18.64	Reaction high (High Apr 17)
	18.43	High Apr 18
	18.00	High Apr 25
SUPPORT	17.44	Low Sept 04
	17.24	Low Aug 31
	16.99	Low Aug 28
	16.76	Low Aug 25
ECOMMENDATION	BUY	17.80
	SELL	-----
	STOP LOSS	17.55
	TARGET	18.15
		18.35

OIL – Daily Outlook

U.S. crude edges higher, gasoline tumbles after Harvey - Reuters News



U.S. crude oil prices edged higher on Monday while gasoline prices slumped to pre-Hurricane Harvey levels, as oil refineries and pipelines in the U.S. Gulf Coast slowly resumed activity, easing supply concerns.

U.S. West Texas Intermediate (WTI) crude futures were 8 cents higher at \$47.37 per barrel at 1351 EDT (1751 GMT) as U.S. demand recovered after being hit by reduced refinery activity since Harvey

made landfall on Aug. 25.

Brent crude futures settled 41 cents lower at \$52.34, due in part to a shift away from crude markets to assets perceived to be safer, such as gold, after a powerful North Korean nuclear test.

NYMEX gasoline futures were down 3.28 percent at \$1.6906 a gallon, a level last seen on Aug. 25.

Damage by Harvey to the oil infrastructure in the Gulf Coast appeared less extensive than some had feared.

A number of major refineries, which convert crude oil to refined products such as gasoline and jet fuel, were gradually resuming operations on Monday. Colonial Pipeline, the largest American fuel system, was restarting the distillates segment of its pipeline from Texas to New Jersey.

Its gasoline pipeline was due to resume operations on Tuesday, the company said.

At the same time, about 5.5 percent of the U.S. Gulf of Mexico's oil production, or 96,000 barrels of daily output, remained shut on Sunday, down from a peak of more than 400,000 bpd last week.

"The disruptions from Hurricane Harvey in the U.S. Gulf Coast are gradually clearing. In the broader scheme of things, it appears that so far the energy industry was spared major damages to assets and infrastructure," analysts at Vienna-based JBC Energy said in a note.

"However, some Houston-area refineries will likely remain offline for some time longer."

Traders booked dozens of gasoline tankers over the past week from Asia and Europe to the United States and Latin America in order to plug supply shortages in the wake of the shutdowns.

European gasoline refining margins dropped by nearly a fifth on Monday.

And while the U.S. government tapped its strategic oil reserves for the first time in five years last week, the head of the International Energy Agency (IEA) said the global energy watchdog saw no need for a coordinated international release of oil stocks after Harvey.

Texas Governor Greg Abbott estimated damage at \$150 billion to \$180 billion, calling it more costly than Hurricanes Katrina or Sandy, which hit New Orleans in 2005 and New York in 2012 respectively.

Traders were nervously watching developments in North Korea, whose military conducted its sixth and most powerful nuclear test during the weekend. Pyongyang said it had tested an advanced hydrogen bomb for a long-range missile, prompting the threat of a massive military response by the United States if it or its allies were threatened.

That put downward pressure on crude as traders moved money out of oil - seen as high-risk - into gold futures, traditionally viewed as a safe haven for investors. Spot gold prices rose for a third day, gaining 0.9 percent on Monday.

Overall trading activity in the oil futures market was expected to be low on Monday because of the U.S. Labor Day public holiday. [\(Source Reuters, Research – @her1en\)](#)

CLV7/USD (OIL)
 (Exp.: 22 Sep. 2017 - Reuters)



- The bearish trend has continued since it failed to stay above the psychological level of 50
- Downtick target at 45.25
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 04	47.32	47.63	47.15	0.48	47.35	↑ 0.02	47.33
Sep 01	47.06	47.33	46.55	0.78	47.33	↑ 0.25	47.08
Aug 31	45.92	47.45	45.58	1.87	47.08	↑ 1.13	45.95
Aug 30	46.31	46.70	45.83	0.87	45.95	↓ 0.38	46.33
Aug 29	46.84	46.94	45.75	1.19	46.33	↓ 0.47	46.80

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
47.63	47.15	47.63	46.55	50.41	45.58	55.22	42.04
(04/Sep)	(04/Sep)	(04/Sep)	(01/Sep)	(01/Aug)	(31/Aug)	(03/Jan)	(21/Jun)

ANALYSIS & RECOMMENDATION

RESISTANCE	52.50	High May 25
	50.70	High 30/May/2017 (Reaction high)
	49.16	High Aug 14
	48.50	High 23/Aug/2017 (Reaction high)
SUPPORT	46.56	Low Sept 01
	45.58	Low Aug 31
	44.90	Reaction low (hourly)
	43.83	Low July 10
RECOMMENDATION	BUY	47.25
	SELL	-----
	STOP LOSS	46.40
	TARGET	48.65 49.15