

# 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](mailto:research@valbury.com) | Twitter: [@researchvaf](https://twitter.com/researchvaf) | Web-Link: [www.valburyfutures.co.id/futures\\_research.php](http://www.valburyfutures.co.id/futures_research.php)

## GLOBAL MARKETS & ECONOMIES

### GLOBAL MARKETS

- Asian shares and U.S. stock futures slipped on Wednesday and investors sought havens such as U.S. Treasuries, gold and the yen as tensions on the Korean peninsula escalated, with Pyongyang saying it is considering plans to attack Guam.
- European shares fell back on Wednesday as geopolitical tensions sent all major benchmarks into negative territory, accompanied by a slight uptick in volatility in what is typically a quiet period of summer trading for the market.
- U.S. President Donald Trump's warning to North Korea and Pyongyang's threat of possible armed retaliation drove investors away from stocks and other risky assets on Wednesday and into textbook safe-havens like gold and Treasuries.

### GLOBAL ECONOMIES

- A measure of Australian consumer sentiment slipped to its lowest in more than a year in August as worries over family finances swamped increasing optimism about the economic outlook.
- China's factory price inflation held steady in July in a positive sign for industrial output and profits for the third quarter, even though a government-led drive to reduce debt is expected to cool earnings and economic growth by year-end.
- Nearly one in five German companies has faced being charged for parking cash at its bank as a result of the European Central Bank's negative rate policy, the Ifo economic institute said on Wednesday.
- Greece's annual EU-harmonised inflation rate was steady in July, statistics service data showed on Wednesday.
- British firms are keeping a lid on pay and automating more production while some shoppers, faced with rising prices, are switching to cheaper products, the Bank of England said on Wednesday.
- U.S. worker productivity rose more than expected in the second quarter as hours increased at their fastest pace in 1-1/2 years, keeping labor costs under control.

### GLOBAL MARKETS

**Asia** – Asian shares and U.S. stock futures slipped on Wednesday and investors sought havens such as U.S. Treasuries, gold and the yen as tensions on the Korean peninsula escalated, with Pyongyang saying it is considering plans to attack Guam.

A spokesman for the Korean People's Army said in a statement that it was "carefully examining" plans for a missile attack on the U.S. Pacific territory, which has a large American military base.

The comments came just hours after U.S. President Donald Trump told North Korea that any threat to the United States would be met with "fire and fury", rattling markets globally.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.5 percent, while Japan's Nikkei lost 1.3 percent as the stronger yen sapped investor appetite.

South Korean shares, which have been among the strongest performers in the world so far this year, fell 1.1 percent, while the won lost around 0.6 percent to 1,134.70 to the dollar. Both hit more than one-month lows.

**Euro Zone** – European shares fell back on Wednesday as geopolitical tensions sent all major benchmarks into negative territory, accompanied by a slight uptick in volatility in what is typically a quiet period of summer trading for the market.

Risky assets were hit globally after North Korea said it was considering plans to attack Guam, which has a large U.S. military base.

On a day which also marked 10 years since the start of the global financial crisis, the pan-European STOXX 600 ended the session 0.7 percent lower, while Euro zone stocks and blue-chips dropped more than 1 percent.

France's CAC 40 fell 1.4 percent after a car hit a group of soldiers in a Parisian suburb in what was said to be a deliberate act, while Germany's DAX was also down 1.1 percent as bond yields fell.

The VSTOXX, Europe's main gauge of equity market investor anxiety, stirred to reach its highest level in two weeks, though still remained at subdued levels, while its U.S. counterpart - the Vix - touched a one-month high.

"In the wake of the global financial crisis, many major economies undertook largely coordinated efforts to expand balanced sheets and

provide almost infinite liquidity to the system," Steve Kelso, CEO of Ashburton Investments, said.

"The by-product of quantitative easing, combined with ultra-low interest rate policies, has been the dampening down of volatility," Kelso said, adding that an increase in volatility spikes was likely in the future.

Gold miners Randgold Resources and Fresnillo were among the only gainers on the FTSE, up 2.8 to 4.9 percent as investors rushed to the safety of gold.

Banks meanwhile suffered heavy losses, down 1.4 percent. Results also drove some sharp moves lower.

G4S led fallers, down 7.5 percent despite the security group reporting first-half profit up 7.6 percent and saying its turnaround was on track. Stifel analysts pointed to operating cashflow being weaker year-on-year.

Chemicals group Brenntag also dropped 6.7 percent after second quarter results undershot expectations.

Overall, results season has been strong, analysts and investors said. Earnings growth for the MSCI Euro zone companies reporting this quarter is tracking at 15.7 percent, with 76 percent of results in so far.

"I still think there's more good news than bad news [in results] because you're still seeing underlying economies growing at a decent clip," said Andrew King, head of European equities at BNP Paribas Asset Management.

"On a longer term view you're now starting to see a break with the history of constant earnings downgrades," he added.

The healthcare sector declined just 0.3 percent thanks to strong gains from the world's top maker of diabetes drugs, Novo Nordisk, up 7.9 percent after beating second-quarter profit forecasts.

Scout24 also jumped 4.7 percent to a seven-month high after the German online classifieds company said it had won back customers in the second quarter. Its shares had fallen sharply after a broker downgrade last week.

**U.S. & Global Markets** – U.S. President Donald Trump's warning to North Korea and Pyongyang's threat of possible armed retaliation drove investors away from stocks and other risky assets on Wednesday and into textbook safe-havens like gold and Treasuries.

But despite the largest percentage drop in over a month on a global equities index, U.S. equities ended only slightly lower as healthy corporate earnings and a recent string of strong economic data enticed investors into beaten-down stocks.

Trump's remarks on Tuesday afternoon that North Korea would face "fire and fury like the world has never seen" weighed on Wall Street and drove up the VIX "fear gauge", or the cost of protection against a drop in the S&P 500.

The VIX closed 1.4 percent higher but at the lowest level of the day at 11.11, after rising as high as 12.63. Even so, the close was the highest in a month.

Following Trump's remarks, North Korea on Wednesday said it was "carefully examining" plans for a missile attack on the U.S. Pacific territory of Guam, which is home to a large U.S. military base. U.S. Defense Secretary Jim Mattis told Pyongyang it should stop any actions that would lead to the "end of its regime and the destruction of its people."

But while most traders appeared to favor safe-haven assets, bargain seekers helped Wall Street's three major indexes pare the day's earlier losses.

"It's amazing when you consider the headlines just how calm the equity markets are, how they've taken things in their stride," said Ryan Detrick, senior market strategist at LPL Financial in Charlotte, North Carolina.

"The strong global economy driven by strong earnings is really helping to minimize some of these concerns. The global economy is really on some firm footing," he said.

The Dow Jones Industrial Average fell 36.64 points, or 0.17 percent, to 22,048.7, the S&P 500 lost 0.9 points, or 0.04 percent, to 2,474.02 and the Nasdaq Composite dropped 18.13 points, or 0.28 percent, to 6,352.33.

The S&P fell as much as 0.52 percent at its session low.

The pan-European FTSEurofirst 300 index lost 0.75 percent and MSCI's gauge of stocks across the globe shed 0.33 percent.

Emerging market stocks lost 0.89 percent. MSCI's broadest index of Asia-Pacific shares outside Japan closed 0.57 percent lower, while Japan's Nikkei percent.

#### FRANC RALLY

Traditional safe-haven currencies including the Swiss franc and Japanese yen rose against the U.S. dollar.

"Obviously we are looking at the increased tensions between the U.S. and North Korea," said Brad Bechtel, managing director FX at Jefferies in New York. "Tensions are still high and not going away at the moment. Safe-havens are bid and markets are a little uneasy."

South Korea's won dropped 0.9 percent against the U.S. dollar to its lowest close since July 13.

The Swiss franc rose 0.01 percent versus the greenback, the most since late June, at 0.96 per dollar.

The dollar index fell 0.14 percent, with the euro unchanged at \$1.1757.

The Japanese yen strengthened 0.08 percent versus the greenback at 110.00 per dollar. Japan is the world's biggest creditor country and there is an assumption that investors there will repatriate funds in a crisis.

Sterling was last trading at \$1.3006, up 0.02 percent on the day.

The Swiss franc was on track for its biggest daily gain against the euro since the Swiss National Bank removed its cap on the currency in January 2015. It was last up 0.0 percent at 1.1329 per euro.

Yields on core government debt fell.

Benchmark U.S. 10-year notes rose 9/32 in price to yield 2.2494 percent, from 2.282 percent late on Tuesday.

The 30-year Treasury bond rose 27/32 in price to yield 2.8252 percent, from 2.867 percent late on Tuesday.

"The most visible impact of escalating verbal threats between North Korea and President Trump comes at the long end of the U.S. Treasury

curve," said Jim Vogel, interest rates strategist at FTN Financial in Memphis. *(Source Reuters – @ErwinRiset - @her1en)*

#### GLOBAL ECONOMIES

**Australia** – A measure of Australian consumer sentiment slipped to its lowest in more than a year in August as worries over family finances swamped increasing optimism about the economic outlook.

The survey of 1,200 people by the Melbourne Institute and Westpac Bank published Wednesday found consumer sentiment fell 1.2 percent in August, from July when it edged up 0.4 percent.

The index reading of 95.5 was 5.5 percent lower than in August last year, showing pessimists outnumbered optimists, and the lowest since April 2016.

"The index components point to clear pressure on family finances," said Westpac Chief Economist Bill Evans.

"Much of the weakness is likely to reflect a mix of weak growth in wages; increases in key costs such as electricity and emerging concerns about rising interest rates."

Wage growth is running at record lows while media coverage of surging power prices has been wall-to-wall.

Prime Minister Malcolm Turnbull is meeting with the heads of major utilities on Wednesday to urge restraint in price hikes.

The impact on consumers was clear in the survey with its measure of family finances compared to a year ago sliding 5.1 percent. Likewise, its index of whether it was a good time to buy a major household item dived 4.9 percent.

Those falls overshadowed improvements elsewhere. The measure of family finances over the next 12 months edged up 2.1 percent, while the economic outlook for the next 12 months added 0.4 percent, and that for the next five years rose 2.3 percent.

The grim mood in the survey is in marked contrast to increasingly upbeat business polls. A NAB survey out on Tuesday showed firms felt conditions were the best since early 2008 with sales, profits and employment all strong.

Analysts note that, historically, business surveys have a far closer correlation to activity in the broader economy than do polls of the consumer mood, which can prove fickle from month to month.

Indeed, while consumers might sound pessimistic in a survey that does not necessarily translate to spending habits.

Official data has shown retail sales rebounded strongly in the second quarter as heavy discounting stoked demand, while sales of new vehicles are at record highs.

**China** – China's factory price inflation held steady in July in a positive sign for industrial output and profits for the third quarter, even though a government-led drive to reduce debt is expected to cool earnings and economic growth by year-end.

China's economy has expanded solidly this year as commodity prices recovered, helping boost the industrial sector, while mild consumer price gains have left policymakers room to manoeuvre should growth falter.

The producer price index (PPI) rose 5.5 percent last month from a year earlier, unchanged from June, the National Bureau of Statistics (NBS) said on Wednesday. Analysts polled by Reuters had expected producer prices to hold steady for a third straight month at 5.5 percent.

Analysts say given expectations of deeper capacity cuts heading into the winter months, keeping supply tight and prices up, operating margins for businesses will probably remain solid in a boost to the bottom line.

"We expect the PPI y/y to remain strong in the coming months, as the capacity reduction proceeds," said David Qu, markets economist at ANZ in a note to clients.

"The strong PPI indicates decent growth in corporate profits, especially for SOEs, leaving the authorities room for deleveraging," he said.

On a month-on-month basis, the PPI rose 0.2 percent in July, after three months in the red, with the NBS attributing this to a rise in prices of commodities including steel and non-ferrous metals.

Prices of commodities futures including steel rebar began to rise again in June and have continued to surge through early August, underscoring concerns over tight supply amid pollution inspections and strong restocking demand.

China has eliminated around 120 million tonnes of low-grade steel capacity and 42.39 million tonnes of crude steel capacity in the first half of the year, equivalent to 84 percent of its target for the whole year.

Beijing has also ordered steel and aluminium producers in 28 cities to slash output during the winter heating season that starts in November to curb pollution, spurring local investors to anticipate gains for big producers when a shortfall bites.

Besides the capacity cuts, "the strong pipeline of infrastructure investment will continue to underpin material prices in the coming months," ANZ's Qu said.

Shares in state-run Aluminium Corp of China (Chalco) have surged 63 percent since the start of July, while shares in Shenzhen-listed Yunnan Aluminium have rallied 67 percent.

**Euro Zone** – Nearly one in five German companies has faced being charged for parking cash at its bank as a result of the European Central Bank's negative rate policy, the Ifo economic institute said on Wednesday.

Only 8 percent of all companies eventually accept the charge, with most others escaping it through negotiations or by switching banks, Ifo's survey of 4,000 companies showed.

Alternatively, they use the cash to pay off debt or invest.

While likely to stoke frustration among German entrepreneurs, the findings partly vindicate the ECB's policy, whose aim was indeed to stimulate investment and ease the deleveraging process.

"In particular, the last reaction (investing) is interesting from a macroeconomic perspective because it has not only a monetary, but also a real-economic impact," Christa Hainz, one of the authors of the study at Munich-based Ifo, said.

An International Monetary Fund report earlier this month found that negative interest rates imposed by central banks, including the ECB, had generally worked as a tool to boost inflation, pulling down yields and sometimes weakening currencies.

Germany has been stepping up its calls on the ECB to start winding down its stimulus policy of negative or ultra low rates and massive bond purchases in light of a rebound in inflation in recent months.

But ECB President Mario Draghi has emphasised price growth is still below the ECB's target of almost 2 percent and several rate setters are reluctant to withdraw their monetary support.

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.

**Greece** – Greece's annual EU-harmonised inflation rate was steady in July, statistics service data showed on Wednesday.

The reading in July was 0.9 percent, unchanged from June. The data also showed the headline consumer price index was steady at 1.0 percent year-on-year compared to the previous month.

For years an inflation outlier in the euro zone, Greece had been in a protracted deflation mode since March 2013 based on its headline index, as wage and pension cuts and a multi-year recession took a heavy toll on Greek household incomes.

Deflation in Greece, which signed up to its first international bailout in 2010, hit its highest level in November 2013, when consumer prices registered a 2.9 percent year-on-year decline. The economy emerged from deflation in June 2016.

Euro zone inflation was stable in July but its core measure, which is closely watched by the European Central Bank, went up to a four-year high against market expectations of a drop.

Euro zone consumer prices were stable at 1.3 percent year-on-year in July but core inflation, which excludes the two most volatile components of unprocessed food and energy, went up to 1.3 percent from 1.2 percent in June.

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KEY FIGURES JULY JUNE MAY APRIL MARCH FEB JAN

EU-harmonised 0.9 0.9 1.5 1.6 1.7 1.4 1.5

CPI y/y 1.0 1.0 1.2 1.6 1.7 1.3 1.2

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source: ELSTAT

**UK** – British firms are keeping a lid on pay and automating more production while some shoppers, faced with rising prices, are switching to cheaper products, the Bank of England said on Wednesday.

The findings came in a report from around the country that showed Brexit is hurting households, mainly though the weaker pound.

Businesses serving British consumers are suffering compared with export-focused manufacturers, as the weaker exchange rate and higher inflation following last year's vote to leave the European Union feeds through the economy.

Last week BoE Governor Mark Carney said Britain's economy was suffering from uncertainty and higher prices caused by the referendum decision in June 2016, and the central bank cut its forecasts for future growth and wages.

Wednesday's report by the BoE's regional staff -- which fed into last week's forecasts -- showed businesses planned to offer pay awards of between 2 and 3 percent, despite growing recruitment difficulties.

"Overall employment intentions remained modest," the BoE said. "Growth in manufacturing (employment) intentions was stable and was dampened by a stronger focus on productivity improvements and automation over job creation," it added.

The BoE forecast last week that economic growth would slow to 1.7 percent this year and 1.6 percent in 2018, while wages are seen rising by 2 percent and then 3 percent.

After unexpectedly outperforming other big advanced economies last year, in 2017 Britain had its slowest first half of the year since 2012.

Firms reported prices for goods and services rose at the fastest pace in four years, in line with official measures of inflation, and consumer spending growth slowed.

"Some contacts ascribed this to increased caution among consumers, and to consumers trading down to cheaper products or brands," the BoE said.

Sales at consumer services businesses grew at their slowest pace in over four years, while manufacturing exports saw their fastest expansion since 2011.

Business investment - which the BoE hopes will offset some of the damage to consumer spending - remained modest, with unspecified "uncertainty" weighing on longer-term plans.

The agents' report on contacts with businesses in June and the first half of July, which includes the period when Prime Minister Theresa May unexpectedly failed to win a parliamentary majority, as well as the start of Brexit talks in Brussels.

**U.S.** – U.S. worker productivity rose more than expected in the second quarter as hours increased at their fastest pace in 1-1/2 years, keeping labor costs under control.

The Labor Department said on Wednesday that nonfarm productivity, which measures hourly output per worker, increased at a 0.9 percent annualized rate in the April-June period. First-quarter productivity was revised to show it edging up at a 0.1 percent pace instead of being unchanged as previously reported.

Compared to the second quarter of 2016, productivity increased at a 1.2 percent rate, the strongest performance in two years. Economists had forecast productivity increasing at a 0.7 percent pace in the second quarter.

With productivity rising, unit labor costs, the price of labor per single unit of output, increased at only a 0.6 percent pace in the second quarter after jumping at a 5.4 percent rate in the January-March period.

Compared to the second quarter of 2016, unit labor costs fell at a 0.2 percent rate, pointing to muted inflation. Coming on the heels of a recent moderation in price pressures, the retreat in unit labor costs may worry

Federal Reserve officials as they contemplate further monetary policy tightening.

Prices for U.S. Treasuries were higher in mid-morning trading while U.S. stocks were lower. The dollar gained against a basket of currencies.

The government also revised productivity data going back to 2014, in line with recent revisions to gross domestic product figures. Those revisions showed productivity falling 0.1 percent in 2016, the first drop since 1982. Productivity increased at an average annual rate of 1.2 percent from 2007 to 2016, below its long-term rate of 2.1 percent from 1947 to 2016, indicating the economy's potential rate of growth has declined.

Anemic productivity is bad news for President Donald Trump who has pledged to boost annual economic growth to 3.0 percent through tax cuts, infrastructure spending and a rollback of regulation.

"To reattain 3 percent real GDP growth with the demographics the U.S. is facing, productivity growth will have to exceed its long-run average growth rate of 2.1 percent, and we are far short of attaining such a pace," said John Ryding, chief economist at RDQ Economics in New York.

*(Source Reuters, Research – @her1en)*

## WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
<b>Mon/07-Aug-17</b>	06:30	AU	AIG Perf of Construction Index	Jul	60.5	--	56	
	06:50	JP	Official Reserve Assets	Jul	\$1260.0b	--	\$1249.8b	
	N/A	CN	Foreign Reserves	Jul	\$3080.7b	\$3074.9b	\$3056.8b	
	N/A	CN	BoP Current Account Balance	2Q P	\$52.9b	--	\$18.4b	
	N/A	HK	Foreign Reserves	Jul	\$413.3b	--	\$408.0b	
	10:00	NZ	2Yr Inflation Expectation	3Q	2.09%	--	2.17%	
	12:00	JP	Leading Index CI	Jun P	106.3	106.2	104.6	
	12:00	JP	Coincident Index	Jun P	117.2	117.2	115.8	
	13:00	DE	Industrial Production SA MoM	Jun	-1.1%	0.2%	1.2%	
	13:00	DE	Industrial Production WDA YoY	Jun	2.4%	3.7%	5.0%	4.8%
	13:30	AU	Foreign Reserves	Jul	-	--	A\$84.1b	
	14:00	CH	Foreign Currency Reserves	Jul	714.3b	--	693.5b	693.7b
	14:15	CH	CPI MoM	Jul	-0.3%	-0.3%	-0.1%	
	14:15	CH	CPI YoY	Jul	0.3%	0.3%	0.2%	
	14:15	CH	CPI EU Harmonized MoM	Jul	0.1%	--	0.0%	
	14:15	CH	CPI EU Harmonized YoY	Jul	0.6%	--	0.4%	
	14:30	GB	Halifax House Price 3Mths/Year	Jul	2.1%	2.0%	2.6%	

	14:30	GB	Halifax House Prices MoM	Jul	0.4%	0.2%	-1.0%	-0.9%
	15:30	EZ	Sentix Investor Confidence	Aug	27.7	27.8	28.3	
	22:45	US	Fed's Bullard Speaks on U.S. Economy in Nashville, TN					
	<b>All Day</b>	<b>CA</b>	<b>Bank Holiday/Civic Holiday</b>					
<b>Tue/08-Aug-17</b>	00:25	US	Fed's Kashkari Speaks in Bloomington, MN					
	02:00	US	Consumer Credit	Jun	\$12.40b	\$15.30b	\$18.410b	\$18.28b
	06:50	JP	BoP Current Account Balance	Jun	¥934.6b	¥860.5b	¥1653.9b	
	06:50	JP	BoP Current Account Adjusted	Jun	¥1522.5b	¥1502.9b	¥1400.9b	
	06:50	JP	Trade Balance BoP Basis	Jun	¥518.5b	¥571.5b	-¥115.1b	
	08:30	AU	NAB Business Conditions	Jul	15	--	15	14
	08:30	AU	NAB Business Confidence	Jul	12	--	9	8
	N/A	CN	Imports YoY	Jul	11.0%	18.2%	17.2%	
	N/A	CN	Trade Balance	Jul	\$46.74b	\$45.00b	\$42.80b	\$42.75b
	N/A	CN	Exports YoY CNY	Jul	11.2%	14.8%	17.3%	
	N/A	CN	Imports YoY CNY	Jul	14.7%	22.6%	23.1%	
	N/A	CN	Trade Balance CNY	Jul	321.20b	293.55b	294.30b	
	N/A	CN	Exports YoY	Jul	7.2%	11.0%	11.3%	
08-Aug - 18-Aug	N/A	CN	Foreign Direct Investment YoY CNY	Jul	-	--	2.3%	
	11:30	JP	Bankruptcies YoY	Jul	0.28%	--	-7.47%	
	12:45	CH	Unemployment Rate	Jul	3.0%	--	3.0%	
	12:45	CH	Unemployment Rate SA	Jul	3.2%	3.2%	3.2%	
	13:00	DE	Trade Balance	Jun	22.3b	23.0b	22.0b	
	13:00	DE	Current Account Balance	Jun	23.6b	24.5b	17.3b	16.0b
	13:00	DE	Exports SA MoM	Jun	-2.8%	-0.3%	1.4%	1.5%
	13:00	DE	Imports SA MoM	Jun	-4.5%	0.2%	1.2%	1.3%
	17:00	US	NFIB Small Business Optimism	Jul	105.2	103.8	103.6	
<b>Wed/09-Aug-17</b>	05:00	AU	RBA's Kent Gives Bloomberg Address in Sydney					
	06:00	KR	Unemployment rate SA	Jul	3.6%	3.8%	3.8%	
	06:50	JP	Money Stock M2 YoY	Jul	4.0%	3.9%	3.9%	
	06:50	JP	Money Stock M3 YoY	Jul	3.4%	3.3%	3.3%	
	07:30	AU	Westpac Consumer Conf Index	Aug	95.5	--	96.6	
	07:30	AU	Westpac Consumer Conf SA MoM	Aug	-1.2%	--	0.4%	
	08:10	JP	BOJ Outright Bond Purchase 5~10 Year					
	08:10	JP	BOJ Outright Bond Purchase 10~25 Years					
	08:10	JP	BOJ Outright Bond Purchase 25 Years~					
	08:30	AU	Home Loans MoM	Jun	0.5%	1.5%	1.0%	1.1%
	08:30	AU	Investment Lending	Jun	1.6%	--	-1.4%	
	08:30	CN	CPI YoY	Jul	1.4%	1.5%	1.5%	
	08:30	CN	PPI YoY	Jul	5.5%	5.6%	5.5%	
	10:00	KR	Money Supply M2 SA MoM	Jun	-	--	0.3%	
	10:00	KR	Money Supply L SA MoM	Jun	-	--	0.5%	
	10:00	KR	Bank Lending To Household Total	Jul	-	--	KR731.0t	
	13:00	JP	Machine Tool Orders YoY	Jul P	26.3%	--	31.1%	
	19:30	US	Nonfarm Productivity	2Q P	0.9%	0.7%	0.0%	0.1%
	21:00	US	Wholesale Trade Sales MoM	Jun	0.7%	0.6%	-0.5%	-0.1%
	21:00	US	Wholesale Inventories MoM	Jun F	0.7%	0.6%	0.6%	
	21:30	US	DOE U.S. Crude Oil Inventories	Aug-04	-6451k	-2200k	-1527k	
	21:30	US	DOE Cushing OK Crude Inventory	Aug-04	569k	--	-39k	
	21:30	US	DOE U.S. Gasoline Inventories	Aug-04	3424k	-1500k	-2517k	
<b>Thu/10-Aug-17</b>	04:00	NZ	RBNZ Official Cash Rate	Aug-10	1.75%	1.75%	1.75%	
	06:50	JP	Machine Orders MoM	Jun		3.7%	-3.6%	
	06:50	JP	Machine Orders YoY	Jun		-1.1%	0.6%	
	06:50	JP	PPI MoM	Jul		0.2%	0.0%	
	06:50	JP	PPI YoY	Jul		2.3%	2.1%	
	06:50	JP	Housing Loans YoY	2Q		--	3.3%	
	08:00	AU	Consumer Inflation Expectation	Aug		--	4.4%	
	08:10	JP	BOJ Outright Bond Purchase 1~3 Year					
	08:10	JP	BOJ Outright Bond Purchase 3~5 Years					
	09:00	JP	Tokyo Avg Office Vacancies	Jul		--	3.26	

10-Aug - 15-Aug	N/A	CN	Money Supply M2 YoY	Jul		9.4%	9.4%	
10-Aug - 15-Aug	N/A	CN	Money Supply M1 YoY	Jul		14.0%	15.0%	
10-Aug - 15-Aug	N/A	CN	Money Supply M0 YoY	Jul		6.5%	6.6%	
10-Aug - 15-Aug	N/A	CN	New Yuan Loans CNY	Jul		800.0b	1540.0b	
10-Aug - 15-Aug	N/A	CN	Aggregate Financing CNY	Jul		1000.0b	1780.0b	
	11:30	JP	Tertiary Industry Index MoM	Jun		0.2%	-0.1%	
	15:30	GB	Industrial Production MoM	Jun		0.0%	-0.1%	
	15:30	GB	Industrial Production YoY	Jun		-0.3%	-0.2%	
	15:30	GB	Manufacturing Production MoM	Jun		-0.2%	-0.2%	
	15:30	GB	Manufacturing Production YoY	Jun		0.5%	0.4%	
	15:30	GB	Construction Output SA MoM	Jun		1.2%	-1.2%	
	15:30	GB	Construction Output SA YoY	Jun		1.7%	-0.3%	
	15:30	GB	Visible Trade Balance GBP/Mn	Jun		-£11000	-£11863	
	15:30	GB	Trade Balance Non EU GBP/Mn	Jun		--	-£3796	
	15:30	GB	Trade Balance	Jun		--	-£3073	
	19:00	GB	NIESR GDP Estimate	Jul		--	0.3%	
	19:30	US	Initial Jobless Claims	Aug-05		240k	240k	
	19:30	US	Continuing Claims	Jul-29		1960k	1968k	
	19:30	US	PPI Final Demand MoM	Jul		0.1%	0.1%	
	19:30	US	PPI Ex Food and Energy MoM	Jul		0.2%	0.1%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	Jul		0.2%	0.2%	
	19:30	US	PPI Final Demand YoY	Jul		2.3%	2.0%	
	19:30	US	PPI Ex Food and Energy YoY	Jul		2.1%	1.9%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	Jul		--	2.0%	
	21:00	US	Fed's Dudley to Hold Press Briefing					
<b>Fri/11-Aug-17</b>	01:00	US	Monthly Budget Statement	Jul		--	-\$90.2b	
	05:30	NZ	BusinessNZ Manufacturing PMI	Jul		--	56.2	
	06:30	AU	RBA's Lowe Before House Economics Committee in Melbourne					
	13:00	DE	CPI MoM	Jul F		--	0.4%	
	13:00	DE	CPI YoY	Jul F		--	1.7%	
	13:00	DE	CPI EU Harmonized MoM	Jul F		--	0.4%	
	13:00	DE	CPI EU Harmonized YoY	Jul F		--	1.5%	
	15:30	HK	GDP SA QoQ	2Q		--	0.7%	
	15:30	HK	GDP YoY	2Q		3.5%	4.3%	
	19:30	US	CPI MoM	Jul		0.2%	0.0%	
	19:30	US	CPI Ex Food and Energy MoM	Jul		0.2%	0.1%	
	19:30	US	CPI YoY	Jul		1.8%	1.6%	
	19:30	US	CPI Ex Food and Energy YoY	Jul		1.7%	1.7%	
	19:30	US	CPI Core Index SA	Jul		--	251.627	
	19:30	US	CPI Index NSA	Jul		244.918	244.955	
	19:30	US	Real Avg Weekly Earnings YoY	Jul		--	1.1%	
	19:30	US	Real Avg Hourly Earning YoY	Jul		--	0.8%	
	20:40	US	Fed's Kaplan Speaks in Arlington, Texas					
	22:30	US	Fed's Kashkari Speaks to Independent Community Bankers of Minn					
	<b>All Day</b>	<b>JP</b>	<b>Bank Holiday/Mountain Day</b>					
<b>Sat/12-Aug-17</b>	00:00	US	Baker Hughes U.S. Rig Count	Aug-11				

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

## ASIAN STOCK INDICATORS – *Daily Outlook*

**Japan's Nikkei share** average tumbled to 2-1/2-month lows on Wednesday morning on escalating geopolitical tensions with North Korea, which boosted the safe-haven yen and knocked many stocks. The Nikkei dropped 1.3 percent to 19,738.71, the weakest closing level since May 31, but defence equipment makers attracted buyers, with Ishikawa Seisakusho soaring 5.0 percent, Howa Machinery rising 1.1 percent and Tokyo Keiki advancing 1.4 percent.

North Korea said on Wednesday it is "carefully examining" plans for a missile strike on the U.S. Pacific territory of Guam, just hours after U.S. President Donald Trump told the North that any threat to the United States would be met with "fire and fury".

"Uncertainty over geopolitical tensions on the Korean peninsula hit when market was already sluggish on a seasonal slowdown in activity in the summer," said Mutsumi Kagawa, chief global strategist at Rakuten Securities.

The CBOE Volatility Index, better known as the VIX and the most widely-followed barometer of expected near-term stock market volatility, closed at 10.96, its highest in about a month.

Kagawa also said the market is also keeping an eye on the CBOE SKEW INDEX, or so-called "black swan" index, which measures the likelihood of extreme moves in the S&P 500 based on how traders are pricing the index's options.

"The index is showing a warning sign as it is rising after U.S. shares staged a rally recently," Kagawa said, adding that investors could be positioning for a possible sharp sell-off in the near future.

The option-based indicator, which was mostly between 120-140 in July, rose to 140.05 on Wednesday.

The dollar was down 0.3 percent to 110.01 yen, following a retreat to 109.740, its weakest since mid-June, which hurt bellwether stocks such as automakers, tech shares and banks.

Thirty of Topix's 33 subsectors were in negative territory.

Toyota Motor Corp dropped 1.6 percent, Honda Motor Co shed 1.2 percent, TDK Corp stumbled 2.0 percent and Advantest Corp slipped 2.6 percent.

Mitsubishi UFJ Financial Group and Sumitomo Mitsui Financial Group slumped 1.1 percent and 1.3 percent, respectively.

Olympus Corp stumbled 7.7 percent after the company's April-June operating profit dropped 4.9 percent on the year to 12.7 billion yen, hurt by weak demand for medical equipment.

Also in the spotlight was Toshiba Corp, which was demoted to the Tokyo Stock Exchange's second section this month, its shares rose 3.2 percent after sources told Reuters the Japanese conglomerate's auditor was likely to sign off on its annual results.

The broader Topix fell 1.1 percent to 1,617.90 and the JPX-Nikkei Index 400 shed 1.0 percent to 14,375.72.

**South Korean shares** ended at seven-week lows on Wednesday, hurt by a sell-off from foreign investors in the wake of heightened tensions between the United States and North Korea.

North Korea said on Wednesday it is considering plans for a missile strike on the U.S. Pacific territory of Guam, just hours after President Donald Trump told the North that any threat to the United States would be met with "fire and fury".

The Korea Composite Stock Price Index (KOSPI) closed down 1.1 percent at 2,368.39 points, lowest closing level since June 21.

Offshore investors, who were net buyers on Monday and Tuesday, unloaded a net 259.7 billion won (\$229.03 million) worth of KOSPI shares.

The South Korean won also faltered 0.9 percent to its lowest close since July 13, standing at 1,135.2 to the dollar at the conclusions of onshore trade.

**Hong Kong shares** closed lower, mirroring regional peers hurt by mounting tensions on the Korean peninsula, but property firms rose, encouraged by a spin-off plan by a local developer.

The Hang Seng index fell 0.4 percent to 27,757.09 points, easing off more than two-year highs hit on Tuesday, while the China Enterprises Index lost 1.1 percent to 10,962.60 points.

Developers performed strongly after Hong Kong-based conglomerate Wharf Holdings said that its unit Wharf Real Estate Investment Co Ltd would submit an application for a separate listing on the main board.

Wharf leaped 14 percent higher while fellow developer Henderson Land Development Co ended up 2.6 percent.

Alex Wong, director at Ample Finance Group in Hong Kong, said that the market was upbeat about the Wharf spin-off. "This also pushed up other developers because people think if they do similar things then they will get revalued as well," he said.

Tensions over North Korea, which battered stock markets in Japan and South Korea, were not as keenly felt in Hong Kong, Wong said.

Tencent Holdings, which succumbed to profit-taking in the morning session, ended the day up 0.5 percent at a third consecutive record high of HK\$330.20. Tencent's rise has powered the Hang Seng index in recent days on investor optimism over the company's second-quarter results, due Aug. 16. Tencent shares have risen nearly 70 percent this year.

The index measuring price differences between dual-listed companies in Shanghai and Hong Kong stood at 126.59.

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.

**Banks dragged China's stock markets** lower on Wednesday amid concerns that regulators will continue to clamp down on debt risks, but strong gains in consumer staples left major indexes only slightly lower on the day.

The blue-chip CSI300 was unchanged at 3,731.04 points while the Shanghai Composite Index dipped 0.2 percent to 3,275.57 points.

China CSI300 stock index futures for August were flat at 3,715, 16.04 points below the current value of the underlying index.

The financials sub-index fell 1.1 percent, with mild consumer inflation data earlier in the day seen giving policymakers plenty of room to maintain controls imposed earlier this year as they seek to contain risks from a rapid build-up in debt.

While past efforts by Chinese authorities to curb riskier forms of financing and speculation have often faded over time, analysts believe the latest round of measures will have more staying power. Some outside economists have warned that China's debt load is at a level which has sparked crises in other economies.

"Today's inflation numbers were a bit better than expectations, and show that there is basically no inflation pressure. It's likely that the central bank will continue with monetary policy that's neither tight nor loose," said Zhang Gang, an analyst at China Central Securities.

China's state planner said the country will push on with achieving better results in getting its corporate sector to cut excessive borrowing, even though it has made initial progress in lowering debt levels.

"The outlook for banks is not especially optimistic, and some aspects of future monetary policy remains uncertain," said Zhang.

Ping An Bank Co fell 2.9 percent, and Industrial and Commercial Bank of China Ltd fell 2.3 percent.

In contrast, consumer staples remained strong, with the sub-index gaining 2.7 percent for the day. Dairy firm Inner Mongolia Yili Industrial Group Co jumped 7.2 percent.

Shares of materials companies also bounced back after being hit by profit taking in the morning session.

Government efforts to reduce excess industrial capacity have pushed copper and aluminium prices to near five-year highs.

Aluminum Corp of China rose 2.7 percent, while the overall materials sub-index gained 1.5 percent.

*(Source Reuters, Research: @ErwinRiset)*



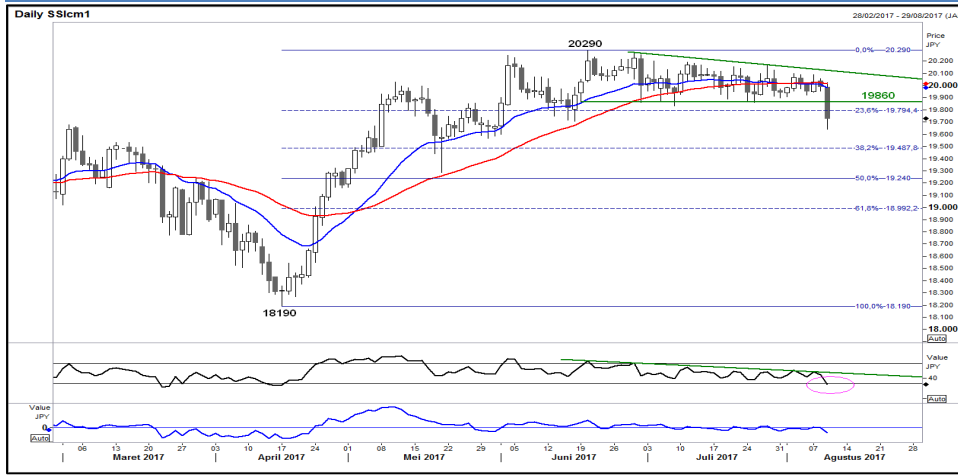
### ASIA AND GLOBAL MARKET SPOT PRICE 2016

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	309.32 (29/May/2017)	31958.41 (30/Oct/07)	21169.11 (01/Mar/2017)	2400.98 (01/Mar/2017)	6124.04400 (16/Oct./07)
<b>2016 HIGH</b>	19592.90 (21/Dec/16)	264.42 (21/Dec/16)	24364.00 (09/Sep/16)	19987.63 (20/Dec/16)	2277.53 (13/Dec/16)	3538.68940 (04/Jan/16)
<b>2017 HIGH</b>	20318.11 (20/June/2017)	322.16 (25/Jul/2017)	<b>27876.12</b> <b>(09/Aug/2017)</b>	22179.11 (08/Aug/2017)	2490.87 (08/Aug/2017)	3305.43130 (02/Aug/2017)
<b>2017 LOW</b>	18224.68 (17/Apr/2017)	258.64 (02/Jan/2017)	21883.82 (03/Jan/2017)	19677.94 (19/Jan/2017)	2245.13 (03/Jan/2017)	3016.53050 (11/May/2017)
<b>2016 LOW</b>	14864.01 (24/Jun/16)	222.92 (20/Jan/16)	18278.80 (12/Feb/16)	15450.56 (20/Jan/16)	1810.10 (11/Feb/16)	2638.30160 (27/Jan/16)
<b>RECORD LOW</b>	85.25 (06/Jul/50)	31.96 (16/Jun/98)	58.61 (31/Aug/67)	388.20 (17/Jan/55)	132.93 (23/Nov./82)	325.92200 (29/Jul/94)

### Closing Prices – 09 August 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	22048.70	↓ 36.64/ 0.17%	.N225	19738.71	↓ 257.30/1.29%
/.SPX	2474.02	↓ 0.90/ 0.04%	.KS200	309.52	↓ 3.88/1.24%
/.IXIC	6352.332	↓ 18.128/ 0.28%	.HSI	27757.09	↓ 97.82/0.35%
JPY=	110.04	↓ 0.26/ 0.24%	/.SSEC	3275.57300	↓ 6.29980/0.19%
KRW=	1138.40	↑ 10.22/ 0.91%	/CLc1 (Oil)	49.70	↑ 0.53/1.08%

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



- Sharp correction is facing the short-term target around 19487
  - The downtrend phase potentially develops as long as the crucial resistance at 19860 remains intact
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
09 Aug SSIpmU7	19745	19770	19675	95	19770	---	↑ 30	0.15	30286
09 Aug SSIamU7	19930	19930	19640	290	19740	19740	↓ 250	1.25	95094
08 Aug SSIpmU7	19985	20025	19925	100	19945	---	↓ 45	0.23	13292
08 Aug SSIamU7	20025	20055	19955	100	19990	19990	↓ 40	0.20	39217
07 Aug SSIpmU7	20035	20055	20020	35	20050	---	↑ 20	0.10	7603
07 Aug SSIamU7	20070	20090	20020	70	20030	20030	↑ 75	0.38	33864
04 Aug SSIpmU7	19950	20055	19945	110	20035	---	↑ 80	0.40	18774
04 Aug SSIamU7	19955	19970	19920	50	19955	19955	↓ 55	0.27	31989
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

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
20090	19640	20100	19640	20200	19830	20290	18190
(07/Aug)	(09/Aug)	(02/Aug)	(09/Aug)	(03/Jul)	(07/Jul)	(20/Jun)	(17/Apr)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	20170	Reaction high (hourly)
	20125	Reaction high (hourly)
	20025	Reaction high (hourly)
	19860	Pivot line
<b>SUPPORT</b>	19640	low 09/May/2017
	19565	Low 30/May/2017 (Reaction low)
	19285	Low 19/May/2017 (Reaction low)
	19160	Low 28/Apr/2017 (Reaction low)
<b>RECOMMENDATION</b>	BUY	----
	SELL	19820
	STOP LOSS	19900
	TARGET	19680 19610

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



- Correction breakouts lowerline area of the trend channel pattern as well as tests and breaks area of support at 310.35
- The downtrend phase is likely to continue, with the correction facing the support area at 306.50 - 305.50  
[\[Research – @ErwinRiset\]](#)

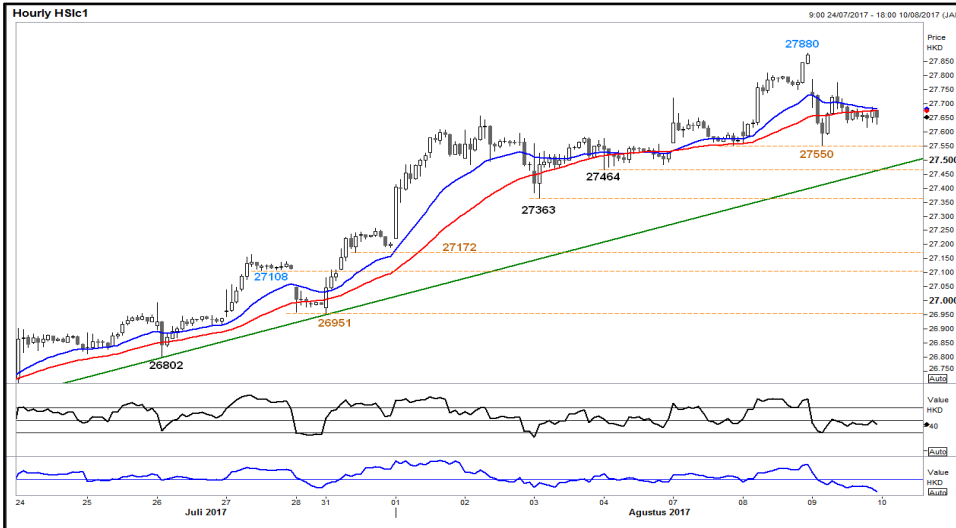
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
09 Aug	311.70	312.70	309.65	3.05	310.00	310.00	↓ 4.20	1.34	272029
08 Aug	315.10	316.20	312.25	3.95	314.20	314.20	↓ 0.05	0.02	258916
07 Aug	314.65	316.30	314.10	2.20	314.25	314.25	↑ 0.05	0.02	190281
04 Aug	312.90	314.90	312.55	2.35	314.20	314.20	↑ 1.20	0.38	218550
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

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
316.30 (07/Aug)	309.65 (09/Aug)	319.45 (01/Aug)	309.65 (09/Aug)	322.75 (25/Jul)	310.35 (05/Jul)	322.75 (25/Jul)	259.25 (02/Jan)

#### ANALYSIS & RECOMMENDATION

RESISTANCE	317.65	High 03/Aug/2017
	316.30	High 07/Aug/2017 (Reaction high)
	312.70	High 09/Aug/2017
	311.20	Reaction high (hourly)
SUPPORT	309.50	Low 23/Jun/2017
	307.80	Low 22/Jun/2017
	306.65	Low 21/Jun/2017 (Reaction low)
	305.50	Low 15/Jun/2017 (Reaction low)
RECOMMENDATION	BUY	----
	SELL	310.60
	STOP LOSS	311.40
	TARGET	309.50 307.85

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



- Correction develops and testing the support area at 27550
  - If the area of 27550 breaks, then correction may potentially face the trendline support area around 27470
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
09 Aug	27740	27785	27550	235	27685	27685	↓ 108	0.39	103131
08 Aug	27600	27808	27561	247	27793	27793	↑ 180	0.65	87984
07 Aug	27560	27720	27560	160	27613	27613	↑ 78	0.28	69452
04 Aug	27550	27576	27464	112	27535	27535	↑ 37	0.13	75870
03 Aug	27460	27588	27363	225	27499	27498	↓ 54	0.20	106084
02 Aug	27507	27655	27483	172	27550	27552	↑ 35	0.13	117231
01 Aug	27221	27525	27221	304	27515	27515	↑ 287	1.05	105184

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
27808	27550	27808	27221	27241	25110	27808	21863
(08/Aug)	(09/Aug)	(08/Aug)	(01/Aug)	(31/Jul)	(05/Jul)	(08/Aug)	(03/Jan)

#### ANALYSIS & RECOMMENDATION

RESISTANCE	28458	High 27/May/2015
	28178	High 28/May/2015
	27880	Peak level (hourly)
	27774	Reaction high (hourly)
SUPPORT	27550	Horizontal support (hourly)
	27464	Reaction low (hourly)
	27350	Reaction low (15 minutes)
	27189	Reaction low (hourly)
RECOMMENDATION	BUY	----
	SELL	27720
	STOP LOSS	27800
	TARGET	27525 27430

## CURRENCIES – *Daily Outlook*

### Swiss franc, yen rise as North Korea tensions brew - Reuters News



The Swiss franc rallied hard against the euro and the U.S. dollar on Wednesday, as increased tensions between the United States and North Korea led investors to look for assets deemed as less risky.

The Swiss franc was on pace for one of the largest single-day jumps against the euro since the Swiss National Bank removed its cap on the currency in January 2015. The greenback was down 1.1 against the franc, its worst drop in more than six weeks.

The dollar also slipped 0.26 percent lower against the yen to 110.01 yen.

The Swiss and Japanese currencies are often sought in times of geopolitical tension partly because the countries have big current account surpluses.

Japan is the world's biggest creditor nation and there is an assumption investors there will repatriate funds should a crisis eventuate.

"Obviously we are looking at the increased tensions between the U.S. and North Korea," said Brad Bechtel, managing director FX at Jefferies in New York.

North Korea said on Wednesday it is "carefully examining" plans for a missile strike on the U.S. Pacific territory of Guam, just hours after U.S. President Donald Trump told the North that any threat it presented to the United States would be met with "fire and fury".

"It's just a classic risk-off day," said Greg Anderson, global head of foreign exchange strategy at BMO Capital Markets in New York.

Weaker U.S. Treasury yields also helped the yen, boosting its appeal relative to the greenback.

U.S. Treasury yields fell on Wednesday, with yields on the benchmark 10-year note hitting a six-week low, as investors reached for safe-haven assets such as government debt.

The dollar index, which tracks the greenback against six rival currencies, was down 0.12 percent to 93.53, after rising as high as 93.888 earlier in the session.

Most Asian currencies stumbled, with the Korean won on pace for its biggest fall in nearly eight weeks.

Worries about increased U.S.-North Korea tension also weighed on the Canadian dollar, which weakened against its U.S. counterpart, despite higher oil prices and stronger-than-expected domestic housing data.

Sterling was little changed at \$1.3 and near a 2-1/2-week low, as investors looked to key data due next week for clues on the health of the British economy as the country prepares to leave the European Union.

*(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 is flat
- Strong resistance at 1.2110  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 09	1.17486	1.17627	1.16877	75,0	1.17559	↑ 6,0	1.17499
Aug 08	1.17941	1.18228	1.17140	108,8	1.17499	↓ 43,3	1.17932
Aug 07	1.17850	1.18129	1.17755	37,4	1.17932	↑ 27,9	1.17653
Aug 04	1.18692	1.18879	1.17269	161,0	1.17653	↓ 102,7	1.18680
Aug 03	1.18538	1.18919	1.18293	62,6	1.18680	↑ 14,0	1.18540

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.18228 (08/Aug)	1.16877 (09/Aug)	1.19091 (02/Aug)	1.16877 (09/Aug)	1.18444 (31/Jul)	1.13112 (05/Jul)	1.19091 (02/Aug)	1.0342 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.2108	High Jan 02, 2015
	1.1968	High Jan 06, 2015
	1.1889	High Aug 04
	1.1824	High Aug 08
SUPPORT	1.1713	Low Aug 08
	1.1669	Low Jul 28
	1.1611	Low Jul 26
	1.1477	Low Jul 20
RECOMMENDATION	BUY	-----
	SELL	1.1765
	STOP LOSS	1.1830
	TARGET	1.1695 1.1665

## USD/JPY

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



- Correction faces the trendline support area around 109.50
  - If 109.50 breaks the downtrend continues to face the next support area at 108.81 - 108.11
  - While the crucial resistance is around 110.60
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 09	110.306	110.309	109.548	76,1	110.043	↓ 32,1	110.364
Aug 08	110.754	110.816	110.237	57,9	110.364	↓ 35,4	110.718
Aug 07	110.771	110.908	110.635	27,3	110.718	↑ 3,2	110.686
Aug 04	109.968	111.038	109.834	120,4	110.686	↑ 66,9	110.017
Aug 03	110.728	110.816	109.845	97,1	110.017	↓ 62,7	110.644

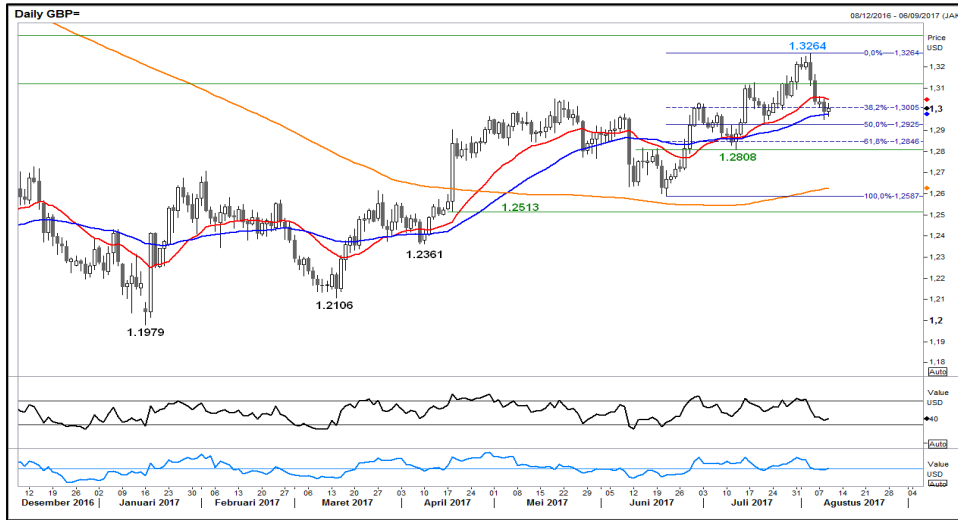
WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
110.908 (07/Aug)	109.548 (09/Aug)	111.038 (04/Aug)	109.548 (09/Aug)	114.482 (11/Jul)	110.203 (31/Jul)	118.60 (03/Jan)	108.14 (17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	112.41	High 20/Jul/2017 (Reaction high)
	112.18	High 26/Jul/2017 (Reaction high)
	111.33	High 28/Jul/2017
	111.04	High 04/Aug/2017 (Reaction high)
SUPPORT	109.50	Trendline support
	109.25	Low 15/Jun/2017
	108.81	Low 14/Jun/2017 (Bottom)
	108.11	Low 17/Apr/2017 (Bottom)
RECOMMENDATION	BUY	----
	SELL	110.20
	STOP LOSS	111.15
	TARGET	109.45 109.05

## GBP/USD

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



- Psychological level at 1.30 is being tested
  - Short-term support area at 1.2930
  - The important support is at 1.2808
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 09	1.29894	1.30271	1.29670	60,1	1.29971	↑ 10,2	1.29869
Aug 08	1.30342	1.30524	1.29515	100,9	1.29869	↓ 43,7	1.30306
Aug 07	1.30438	1.30579	1.30127	45,2	1.30306	↓ 3,2	1.30338
Aug 04	1.31362	1.31630	1.30227	140,3	1.30338	↓ 101,9	1.31357
Aug 03	1.32238	1.32665	1.31113	155,2	1.31357	↓ 87,5	1.32232

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.30579 (07/Aug)	1.29515 (08/Aug)	1.32665 (03/Aug)	1.29515 (08/Aug)	1.32237 (31/Jul)	1.28106 (12/Jul)	1.32665 (03/Aug)	1.1986 (16/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.3346	High 12/Sep/2016 (Reaction high)
	1.3278	High 15/Sep/2016 (Reaction high)
	1.3164	High 04/Aug/2017
	1.3060	High 07/Aug/2017
SUPPORT	1.2930	Low 20/Jul/2017 (Reaction low)
	1.2875	Low 13/Jul/2017
	1.2808	Low 12/Jul/2017
	1.2714	Low 27/Jun/2017
RECOMMENDATION	BUY	----
	SELL	1.3020
	STOP LOSS	1.3090
	TARGET	1.2920
		1.2875



## USD/CHF

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



- Sharp reversal faces crucial support area at 0.9595 after failing to hold above 0.9710
- Strong support at 0.9436  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 09	0.97341	0.97361	0.96107	125,4	0.96342	↓ 104,9	0.97391
Aug 08	0.97270	0.97715	0.97081	63,4	0.97391	↑ 8,4	0.97307
Aug 07	0.97221	0.97450	0.97098	35,2	0.97307	↑ 2,4	0.97283
Aug 04	0.96811	0.97632	0.96697	93,5	0.97283	↑ 45,0	0.96833
Aug 03	0.96985	0.97154	0.96702	45,2	0.96833	↓ 26,7	0.97100

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.97715 (08/Aug)	0.96107 (09/Aug)	0.97715 (08/Aug)	0.96107 (09/Aug)	0.97256 (28/Jul)	0.94372 (21/Jul)	1.0335 (03/Jan)	0.94372 (21/Jul)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.9861	High 18/May/2017
	0.9808	High 30/May/2017 (Reaction high)
	0.9772	High 08/Aug/2017 (Reaction high)
	0.9746	High 09/Aug/2017
SUPPORT	0.9597	Reaction low (hourly)
	0.9489	Low 27/Jul/2017
	0.9436	Low 21/Jul/2017 (Bottom)
	0.9379	Low 26/Aug/2015
RECOMMENDATION	BUY	----
	SELL	0.9675
	STOP LOSS	0.9760
	TARGET	0.9600
		0.9570

## 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 09	0.79117	0.79134	0.78541	59,3	0.78849	↓ 24,1	0.79090
Aug 08	0.79119	0.79417	0.78858	55,9	0.79090	↑ 2,5	0.79065
Aug 07	0.79321	0.79475	0.78979	49,6	0.79065	↓ 16,7	0.79232
Aug 04	0.79500	0.79783	0.78901	88,2	0.79232	↓ 22,7	0.79459
Aug 03	0.79642	0.79647	0.79127	52,0	0.79459	↓ 19,5	0.79654

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.79475 (07/Aug)	0.78541 (09/Aug)	0.80416 (01/Aug)	0.78541 (09/Aug)	0.80646 (27/Jul)	0.75698 (05/Jul)	0.80646 (27/Jul)	0.7182 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.8233	High Jan 21, 2015
	0.8162	High May 14, 2015
	0.8065	High July 27
	0.7992	High Aug 02
SUPPORT	0.7852	Low Aug 09
	0.7783	Low July 18
	0.7721	Low July 14
	0.7630	Low July 12
ECOMMENDATION	BUY	-----
	SELL	0.7910
	STOP LOSS	0.7975
	TARGET	0.7840 0.7810

## NZD/USD

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



- The series drops the daily high level
- With daily RSI down  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 09	0.73276	0.73428	0.73072	35,6	0.73392	↑ 11,5	0.73277
Aug 08	0.73591	0.73687	0.73170	51,7	0.73277	↓ 34,7	0.73624
Aug 07	0.74123	0.74155	0.73468	68,7	0.73624	↓ 49,5	0.74119
Aug 04	0.74361	0.74536	0.73916	62,0	0.74119	↓ 21,8	0.74337
Aug 03	0.74274	0.74500	0.73898	60,2	0.74337	↑ 4,3	0.74294

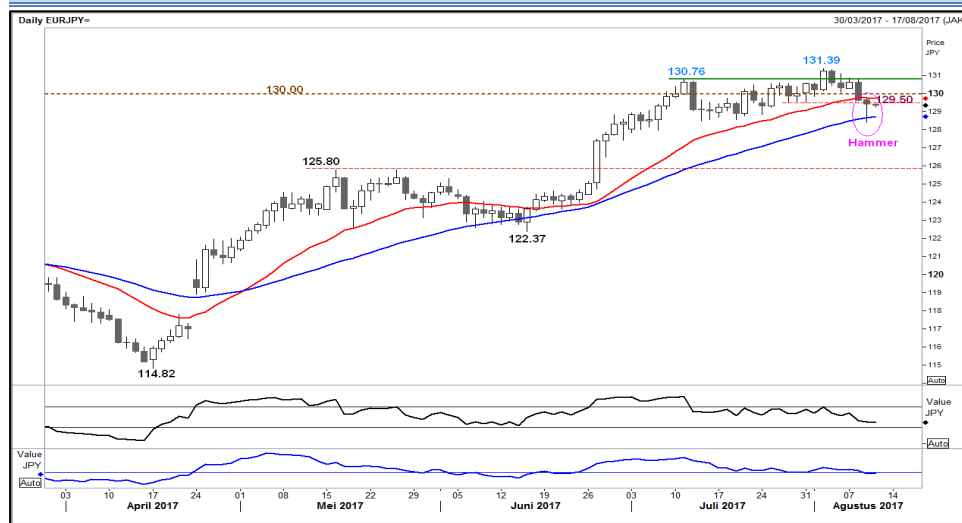
WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.74155 (07/Aug)	0.73072 (09/Aug)	0.75239 (01/Aug)	0.73072 (09/Aug)	0.75570 (27/Jul)	0.72005 (11/Jul)	0.75570 (27/Jul)	0.68166 (11/May)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.7627	High May 01, 2015
	0.7562	High May 14, 2015
	0.7473	High Aug 02
	0.7454	High Aug 04
SUPPORT	0.7244	Low July 13
	0.7200	Low July 11
	0.7112	Low June 05
	0.7054	Low June 01
RECOMMENDATION	BUY	-----
	SELL	0.7370
	STOP LOSS	0.7430
	TARGET	0.7300 0.7270

## EUR/JPY

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



- Correction is halted around support area of 129.40
- Consider the hammer pattern formed for potential rebound
- Crucial resistance around 130.60  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 09	129.613	129.615	128.411	120,4	129.402	↓ 21,1	129.613
Aug 08	130.622	130.797	129.575	122,2	129.613	↓ 99,3	130.606
Aug 07	130.543	130.841	130.415	42,6	130.606	↑ 38,1	130.225
Aug 04	130.524	131.087	130.070	101,7	130.225	↓ 36,7	130.592
Aug 03	131.250	131.297	130.432	86,5	130.592	↓ 59,5	131.187

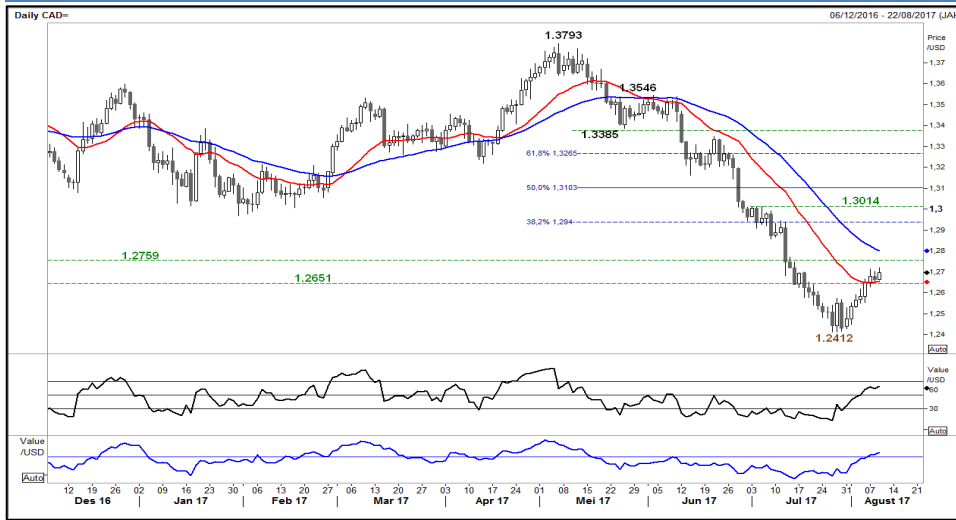
WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
130.841 (07/Aug)	128.411 (09/Aug)	131.373 (02/Aug)	128.411 (09/Aug)	130.739 (11/Jul)	127.971 (06/Jul)	130.739 (11/Jul)	114.87 (17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	132.25	High 29/Jan/2016 (Peak)
	131.65	High 04/Feb/2016 (Reaction high)
	131.39	High 02/Aug/2017 (Peak)
	130.86	Reaction high (hourly)
SUPPORT	128.41	Low 09/Aug/2017
	127.97	Low 06/Jul/2017 (Reaction low)
	126.47	Low 28/Jun/2017
	124.72	Low 27/Jun/2017
RECOMMENDATION	BUY	128.95
	SELL	----
	STOP LOSS	128.10
	TARGET	129.85 130.30

## USD/CAD

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



- Rebound develops after able to hold above the crucial level of 1.2650
- Rebound potentially faces crucial resistance at 1.27602
- Beware of a reversal occurs if failure to hold above 1.2650  
[\(Research – @ErwinRiset\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2647</b>	<b>1.2698</b>

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2721 (09/Aug)	1.2627 (07/Aug)	1.2721 (09/Aug)	1.2448 (01/Aug)	1.3014 (05/Jul)	1.2412 (26/Jul)	1.3793 (05/May)	1.2412 (26/Jul)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.3014	High July 05
	1.2939	High July 12
	1.2770	High 13/Jul/2017
	1.2747	High 14/Jul/2017
<b>SUPPORT</b>	1.2617	Reaction low (hourly)
	1.2550	Reaction low (hourly)
	1.2519	Reaction low (hourly)
	1.2412	Low 26/Jul/2017
<b>RECOMMENDATION</b>	BUY	1.2675
	SELL	----
	STOP LOSS	1.2600
	TARGET	1.2765 – 1.2800

## Precious Metal – *Daily Outlook*

### Gold at near-two-month peak on North Korean tensions - Reuters News



Gold rose to the highest in nearly two months on Wednesday, after North Korea said it is considering an attack on the U.S. Pacific territory of Guam and U.S. President Donald Trump boasted of the strength of the American nuclear arsenal.

Bullion was on track for its biggest one-day rise in nearly three months.

The tensions rattled global markets, sending investors out of equities and into the safety of the Swiss franc, government debt and gold. The VIX "fear gauge" of expected volatility on the S&P 500 hit its highest in more than a month.

"The market hates uncertainty and that's certainly what we have now," said Ole Hansen, head of commodity strategy at Saxo Bank.

"But looking ahead, unless we start to see a conflict break out or a major stock market correction, (gold) is capped at 1,295, (although) the upside at the moment is the favored direction."

Spot gold was up 1.25 percent at \$1,275.98 an ounce by 2:30 p.m. EDT (1830 GMT), after reaching its highest since mid-June at 1276.10. U.S. gold futures for December delivery settled up 1.3 percent at \$1,279.30.

The rally came after Tuesday's drop to a two-week low on better-than-expected U.S. jobs data, while investors awaited U.S. inflation figures later this week for further clues about the pace of interest rate rises. "We've had some competing forces play out over the past 12 hours - the U.S. dollar was stronger off economic data, but that was quickly reversed with President Trump's comments about North Korea," ANZ analyst Daniel Hynes said.

The dollar turned lower versus a basket of currencies Wednesday and was at a near two-week low against the Swiss franc, a traditional safe haven.

A weak greenback makes dollar-priced gold cheaper for non-U.S. investors.

"We believe continued saber-rattling ... could take gold prices higher still," said Nitesh Shah, director at ETF Securities.

Platinum gained 0.6 percent at \$972.90 per ounce, having hit its highest since April 21 at \$980.60.

Platinum extended its four-week rally even after South African President Jacob Zuma survived a no-confidence vote in parliament, causing the rand to fall against the U.S. dollar.

"The weaker currency lowers the production costs for platinum mining producers," said Commerzbank in a note.

Silver rose 2.8 percent to \$16.87, on track for its biggest one-day rally since September 2016 after rising to \$16.91, the highest since June 15. Spot palladium fell 1 percent to \$888.30.

*(Source Reuters, Research – @her1en)*

## GOLD (XAU/USD)



- Daily RSI is up
- The main resistance at 1308, support 1234
- There was a correction in the daily movement ([Research – @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Aug 09	1261.330	1278.590	1260.680	17.91	1277.120	↑ 16.37	1260.750	1267.95	1271.05
Aug 08	1257.050	1265.090	1251.380	13.71	1260.750	↑ 3.11	1257.640	1261.45	1261.80
Aug 07	1257.410	1259.770	1255.640	4.13	1257.640	↓ 0.66	1258.300	1257.55	1258.00
Aug 04	1268.680	1270.020	1254.050	15.97	1258.300	↓ 10.06	1268.360	1269.30	1257.70
Aug 03	1266.140	1270.680	1256.630	14.05	1268.360	↑ 1.94	1266.420	1261.80	1268.10

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1278.590 (09/Aug)	1251.380 (08/Aug)	1278.590 (09/Aug)	1251.380 (08/Aug)	1270.680 (28/Jul)	1204.690 (10/Jul)	1295.910 (06/Jun)	1146.31 (03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	<b>1308.00</b>	Trendline resistance
	<b>1295.97</b>	Reaction high on 1-H chart (High June 06)
	<b>1279.37</b>	High June 14
	<b>1273.97</b>	High Aug 01
<b>SUPPORT</b>	<b>1260.56</b>	Low Aug 09
	<b>1251.01</b>	Low Aug 05
	<b>1243.41</b>	Low July 26
	<b>1234.74</b>	Low July 20
<b>RECOMMENDATION</b>	<b>BUY</b>	<b>1274.00</b>
	<b>SELL</b>	-----
	<b>STOP LOSS</b>	<b>1264.00</b>
	<b>TARGET</b>	<b>1285.00</b> <b>1290.50</b>

## SILVER (XAG/USD)



- Short-term resistance around 17.70
  - Strong support at 16.10
  - Daily RSI rises
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 09	16.454	16.942	16.435	0.51	16.931	↑ 0.49	16.439
Aug 08	16.249	16.463	16.216	0.25	16.439	↑ 0.18	16.264
Aug 07	16.231	16.284	16.108	0.18	16.264	FLAT	16.267
Aug 04	16.653	16.735	16.180	0.56	16.267	↓ 0.37	16.641
Aug 03	16.563	16.679	16.423	0.26	16.641	↑ 0.08	16.561

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.942	16.108	16.942	16.108	16.860	14.334	18.63	14.334
(09/Aug)	(07/Aug)	(09/Aug)	(07/Aug)	(31/Jul)	(07/Jul)	(17/Apr)	(07/Jul)

### ANALYSIS & RECOMMENDATION

RESISTANCE	17.75	High June 06 (Reaction high)
	17.31	High June 14
	17.08	High June 15
	16.91	High Aug 09
SUPPORT	16.42	Low Aug 09
	16.19	Low Aug 08
	15.57	Low July 14
	15.42	Low July 11
ECOMMENDATION	BUY	16.90
	SELL	-----
	STOP LOSS	16.60
	TARGET	17.30
		17.50



## OIL – Daily Outlook

### Oil inches higher after data points to declining U.S. inventories - Reuters News



Oil prices were about 1 percent higher on Wednesday after a report showed U.S. refineries processed record amounts of crude in the latest week, eating into inventories, although a surprise jump in gasoline stockpiles limited price gains.

U.S. crude inventories fell 6.5 million barrels last week, government data showed, steeper than the expected decrease of 2.7 million barrels. Refiners processed nearly 17.6 million barrels of crude, surpassing a record set in May and the most for any week since the U.S. Department of Energy started keeping data in 1982.

Brent crude, the global benchmark, ended the session up 56 cents, or 1.1 percent, at \$52.70, after two days of declines. U.S. West Texas Intermediate (WTI) crude gained 39 cents, or 0.8 percent to settle at \$49.56.

"A drop in crude oil imports and another step up in refinery utilization accounts for the bulk of the decline in crude inventories," said David Thompson, executive vice president at Powerhouse, an energy-specialized commodities broker in Washington, D.C..

"Demand for both gasoline and distillate fuels remains strong but it's worth noting that gasoline demand should be strong at this time of year and we are drawing closer to the end of summer driving season."

The data showed gasoline stocks, rose by 3.4 million barrels, confounding expectations in a Reuters poll for a drop of 1.5 million barrels as imports into the East Coast region picked up. Gasoline futures fell about 1 percent to the lowest in nearly two weeks.

"Whilst the upside to imports into the U.S. East Coast remains limited amidst refinery issues in Europe, interest in shipping gasoline from the U.S. Gulf Coast into PADD 1 appears to have picked-up as we move into the transitioning period between summer and winter specifications," Energy Aspects said in a note.

From a technical perspective, \$48.16-\$48.37 a barrel region is a key zone of support for front-month WTI futures, Thompson said.

The drop in U.S. crude stocks also raised hopes that OPEC-led output cuts were helping wipe out a three-year global supply glut.

The Organization of the Petroleum Exporting Countries (OPEC), Russia and other producers are cutting output by about 1.8 million barrels per day (bpd) under a deal set to run until March 2018.

The deal has supported prices but an output recovery in Libya and Nigeria, OPEC members exempt from the cut, has complicated the effort. U.S. shale oil drillers have also ramped up production.

OPEC officials met this week in Abu Dhabi to boost adherence to the supply cuts. In a statement after the meeting, OPEC said the conclusions reached would boost compliance. Still, some analysts remained sceptical.

"The statement on the OPEC website following the Abu Dhabi meeting was short on substance," Vienna-based JBC Energy said.

Top OPEC exporter Saudi Arabia, keen to get rid of the glut, will cut crude allocations to customers in September by at least 520,000 bpd, an industry source said on Tuesday.

*(Source Reuters, Research – @her1en)*

**CLU7/USD (OIL)**  
 (Exp.: 22 Aug. 2017 - Reuters)



- Thin movements can still occur in the daily
- Important resistance at 52.30
- Primary support around 46.30  
 (Research – @her1en)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 09	48.99	49.70	48.89	0.81	49.69	↑ 0.75	48.94
Aug 08	49.29	49.77	48.86	0.91	48.94	↓ 0.36	49.30
Aug 07	49.57	49.67	48.53	1.14	49.30	↓ 0.21	49.51
Aug 04	48.94	49.61	48.49	1.12	49.51	↑ 0.60	48.91
Aug 03	49.56	49.94	48.78	1.16	48.91	↓ 0.67	49.58

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
49.77	48.53	50.41	48.36	50.39	43.64	55.22	42.04
(08/Aug)	(07/Aug)	(01/Aug)	(01/Aug)	(31/Jul)	(10/Jul)	(03/Jan)	(21/Jun)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	54.77	High Apr 12
	53.82	High Apr 19
	52.38	High May 25
	50.70	High 30/May/2017 (Reaction high)
<b>SUPPORT</b>	48.50	Low Aug 04
	47.86	Low Jul 26
	46.38	Low Jul 25
	44.90	Reaction low (hourly)
<b>RECOMMENDATION</b>	BUY	49.45
	SELL	----
	STOP LOSS	48.50
	TARGET	50.85
		51.35