



Daily Bulletin

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Research Department

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GLOBAL MARKETS & ECONOMIES

GLOBAL MARKETS

- Wall Street stocks rose on Wednesday as the minutes from the Federal Reserve's September policy meeting merely confirmed expectations that interest rates would rise, while the euro gained on the dollar after Catalonia held off on moving to independence.

GLOBAL ECONOMIES

- A measure of Australian consumer sentiment jumped to its highest this year in October as an outbreak of optimism about the economic outlook and family finances overcame months of caution.
- Japan's core machinery orders rose for a second straight month in August, handily beating market expectations, signalling a pickup in capital expenditure that should encourage Prime Minister Shinzo Abe ahead of a general election this month.
- The European Commission proposed on Wednesday softer measures to strengthen the EU banking sector against future crises, after two years of fruitless talks among the 28 EU states on more ambitious plans.
- British finance minister Philip Hammond said on Wednesday the value of a transitional Brexit deal would decline rapidly if talks to agree it drag into next year, but said it was too soon to spend money on contingency plans.
- U.S. central banker Charles Evans is advocating a wait-and-see approach for the next round of interest rate hikes as the U.S. Federal Reserve normalises its expansive monetary policy.

GLOBAL MARKETS

U.S. & Global Markets – Wall Street stocks rose on Wednesday as the minutes from the Federal Reserve's September policy meeting merely confirmed expectations that interest rates would rise, while the euro gained on the dollar after Catalonia held off on moving to independence. Currency investors pushed the dollar to a two-week low against a basket of currencies, as they also eyed signs of inflation concerns at the Fed. The Fed minutes showed policymakers in a prolonged debate about the prospects of a pickup in inflation and the path of future interest rate rises if inflation did not rise.

"Nothing changes the opinion that the Fed is likely to hike rates after the December meeting," said Art Hogan, chief market strategist at Wunderlich Securities in New York.

The dollar index fell 0.34 percent. The euro rose 0.4 percent to \$1.1857. The S&P 500 rose 0.2 percent to 2,555.24, up 0.09 percent from 2,551.02. Wall Street's three major stock indexes posted record closing highs following a late pick-up in trading after Politico reported that Treasury Secretary Steven Mnuchin was pushing President Donald Trump to name Jerome Powell as the next Fed chair, to succeed Janet Yellen, whose term expires in February. Powell is seen as a safe pick for financial markets.

A rise in defensive sectors such as utilities was partly offset by declines in cyclical sectors such as financials a day before U.S. banks' quarterly reporting season kicks off.

The Dow Jones Industrial Average rose 42.21 points, or 0.18 percent, to 22,872.89, the S&P 500 gained 4.6 points, or 0.18 percent, to 2,555.24, and the Nasdaq Composite added 16.30 points, or 0.25 percent, to 6,603.55.

U.S. Treasuries were little changed after the Fed minutes and after the Treasury Department saw solid demand for three-year and 10-year note supply.

Nothing stood out in the minutes, said Subadra Rajappa, head of U.S. rates strategy at Societe Generale in New York.

"We go back to focusing on inflation, that's really where we need more clarity to get a sense of where things are headed for the rest of the year," Rajappa said.

Benchmark 10-year notes last fell 3/32 in price to yield 2.3535 percent, from 2.345 percent late on Tuesday.

The 30-year bond last fell 4/32 in price to yield 2.8864 percent, from 2.881 percent late on Tuesday. *(Source Reuters – @her1en)*

GLOBAL ECONOMIES

Australia – A measure of Australian consumer sentiment jumped to its highest this year in October as an outbreak of optimism about the economic outlook and family finances overcame months of caution.

The survey of 1,200 people by the Melbourne Institute and Westpac Bank published on Wednesday found consumer sentiment climbed 3.6 percent in October, on top of a 2.5 percent rise the month before.

The index reading of 101.4 meant optimists outnumbered pessimists for the first time since November last year.

The pick-up will be a relief to policy makers after a shock slide in retail sales for August sparked concerns that consumers were going on strike.

"Consistent reports of an improving global economy may have been a factor behind this lift," said Westpac chief economist Bill Evans.

"Ongoing improvements in the labour market are also boosting confidence," he added, noting that sentiment among "trade" workers surged 22 percent in October amid strength in home and infrastructure construction.

While employment growth has accelerated markedly this year, it was not accompanied by a revival in wages, clouding the outlook for household incomes.

The better mood could be positive for the struggling retail sector, with the survey's index of whether it was a good time to buy a major household item rising 3.7 percent in October.

A survey of businesses out this week confirmed the retail sector was under heavy pressure, even as activity across other industries was the best in almost a decade.

The outlook on the economy improved markedly with the index for the next 12 months up 7.1 percent, and that for the next five years rising 1.4 percent.

Respondents were still guarded about finances, likely reflecting wall-to-wall media coverage of escalating energy prices.

The survey's measure of family finances compared to a year ago edged up 1.0 percent in the month, but was still down 6.1 percent on October last year.

Still, the measure of finances over the next 12 months fared better with an increase of 4.2 percent from September.

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.

Japan – Japan's core machinery orders rose for a second straight month in August, handily beating market expectations, signalling a pickup in capital expenditure that should encourage Prime Minister Shinzo Abe ahead of a general election this month.

The premier hopes to convince voters in the Oct.22 elections that his "Abenomics" recipe of aggressive monetary stimulus, fiscal spending and reform plans has improved the economy enough to stoke a sustainable recovery.

Cabinet Office data showed on Wednesday that core orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months, rose 3.4 percent on-month in August.

That beat the median estimate of a 1.1 percent increase seen in a Reuters poll of economists, following an 8.0 percent gain in July. The value of core orders, which exclude those of ships and utilities' electrical power equipment, stood at 882.4 billion yen (\$7.86 billion), the highest since July 2016.

"There are uncertainties such as the outlook for U.S. President Donald Trump's trade policy, North Korea, and Japan's political risks, but conditions surrounding capital spending remain basically favourable," said Takeshi Minami, chief economist at Norinchukin Research Institute. "Capital expenditure will perform well in the coming one to two years."

Analysts expect capital expenditure to pick up gradually, backed by refurbishing demand, infrastructure investment for the 2020 Tokyo Olympic Games, and spending on labour-saving equipment, as well as spending encouraged by low borrowing costs enabled by the Bank of Japan's negative interest rate policy.

"The current level of orders remains consistent with a further increase in capital spending last quarter," Marcel Thieliant, senior Japan economist at Capital Economics noted in a report.

"The continued recovery in capital goods shipments excluding transport equipment also suggests that the expansion in investment spending remains intact."

Orders from manufacturers jumped 16.1 percent month-on-month in August, driven by general-purpose production machinery such as machine tools, while service-sector orders grew 3.1 percent, led by orders for boilers and turbines.

The Cabinet Office raised its assessment of machinery orders from stalling to showing "signs of pick-up".

Overseas orders, which are not counted as core orders, grew 11.5 percent in August, due to some big-ticket orders including power generators and aircraft.

The BOJ's closely-watched quarterly tankan survey showed last week that big firms plan to increase capital spending by 7.7 percent in the current fiscal year ending in March 2018, underscoring the view business expenditure is on a firm footing.

A sustained recovery in business expenditure should support the central bank's view that a virtuous circle of private sector-led growth will take hold in the economy.

Still, wage growth and inflation remain stubbornly low despite recent signs of rebounding private consumption, keeping the BOJ under pressure to maintain its massive monetary stimulus.

Euro Zone – The European Commission proposed on Wednesday softer measures to strengthen the EU banking sector against future crises, after two years of fruitless talks among the 28 EU states on more ambitious plans.

The watered-down proposals are designed to win over Germany, the largest economy of the bloc and the staunchest opponent of sharing banking risks among EU states, but they were quickly dismissed by the German banking lobby.

The proposals could also create frictions with the European Central Bank over the pace of reduction of banks' exposure to bad loans.

Germany's outgoing finance minister, Wolfgang Schaeuble, has repeatedly raised concerns that sharing risks would mean richer German banks propping up weaker rivals in other EU countries, such as Italy, Portugal or Greece.

To convince Germany, whose new finance minister may be equally resistant, the Commission has put forward a plan that reduces the sharing of banking risks and eyes stricter conditions that states must meet before their banking sectors can access safety nets funded at EU level.

The plan, revealed by Reuters last week, discards earlier proposals for full EU-sharing of savers' protection in cases of bank failure and leaves the financial burden largely with individual member states.

EU rules guarantee all deposits up to 100,000 euros (\$118,000), a provision meant to strengthen confidence in the banking sector after a decade-long crisis that has seen the bailout of several top banks in the bloc.

But existing national schemes to insure depositors are considered insufficient in the event of a major banking crisis. An EU backstop, funded by all banks in the bloc, is seen as the best guarantee to protect savers and increase market confidence.

U.K. – British finance minister Philip Hammond said on Wednesday the value of a transitional Brexit deal would decline rapidly if talks to agree it drag into next year, but said it was too soon to spend money on contingency plans.

Negotiations on the terms of Britain's exit from the European Union have made slow progress before a March 2019 deadline. Talks on a transition period have not even begun.

And while Hammond thinks it's too early to begin enacting contingency plans for a failure to reach an agreement, EU diplomats and officials are putting renewed focus on preparing for a legal limbo after March 2019.

Their efforts have intensified as Brexit negotiations stall on issues like the bill Britain must pay to leave and the future of Northern Ireland's land border with the EU. If progress does not pick up, Hammond said, a transition agreement will rapidly diminish in value.

"It is self-evident to me ... that a transitional arrangement is a wasting asset. It has a value today. It will still have a very high value at Christmas, early in the new year," Hammond said.

"But as we move through 2018 its value to everybody will diminish significantly. And I think our European partners need to think very carefully about the need for speed in order to protect the potential value to all of us of having an interim period."

British Prime Minister Theresa May has set out plans to seek a transition period after March 2019 with a set time limit. During that period, Britain wants to operate under the same rules as it currently does to provide certainty for businesses while allowing new arrangements to be put in place.

Business leaders have repeatedly called for clarity on the trading conditions they will face during the transition period and beyond. Some - including banks in London's financial sector - are making arrangements to move overseas to ensure continued access to the EU market.

Hammond said lack of direction to talks was hurting business investment and consumer confidence, and one of his top advisors said international banks would make decisions to move in the first three months of 2018.

Britain had hoped EU leaders would agree to start talking about the future at a summit next week. But European Council President Donald Tusk poured cold water on that idea on Tuesday, saying he hoped it could happen in December.

Hammond called on the EU to change their approach, warning of the possibility of a bad-tempered breakdown in talks which would see EU countries acting against their own interest.

"We have made the running in this and we really need our European Union partners to engage ... We are not asking them to sign up. We are

not asking them to write blank cheques. We are simply asking them to start talking to us," he said.

U.S. – U.S. central banker Charles Evans is advocating a wait-and-see approach for the next round of interest rate hikes as the U.S. Federal Reserve normalises its expansive monetary policy.

"I really don't see any harm in waiting longer to take more stock of the inflation situation," Chicago Federal Reserve Bank President Evans told reporters after an event in Zurich on Wednesday.

"I think we would be well served by trying harder to get it (inflation) up, even if inflation went to 2.25 percent or 2.5 percent. We need to see substantial progress of inflation in the data."

The Fed has already raised interest rates twice this year and is widely expected to do so again in December, despite stubborn low inflation remaining below its 2 percent target.

Evans, who is an influential dove at the Fed, said the U.S. economy was in good health at present, but remained cautious about the retreat from the extraordinary measures the central bank introduced to support the U.S. economy after the global economic crisis.

"It is important we get inflation to 2 percent as soon as we can," Evans said. "I've been supportive of our gradual pace to date, the four increases we have had so far have been fine."

But he said he was a "little nervous" that unless inflation expectations start to move up "the next couple of moves may not be very constructive."

"I really think it is important to position ourselves well for the next several years for what we might be facing.

"A risk management approach has a lot of merit at this point," said Evans, adding he wanted to see more data before he had confidence that inflation was really increasing in a sustainable way.

"I do have colleagues who have a lot of confidence that inflation is going to be moving up. I see it in their forecast and my own forecast has inflation moving up to 2 percent by 2019."

The fundamentals of U.S. economy are "really, really strong," Evans said. "If anything they are getting better."

But despite U.S. consumers were doing well and employment rising, wages were not increasing as strongly as expected, he said.

"There is room for a very honest discussion later this year whether this is the right time to raise rates," Evans said.

"If I put a forecast together of how to get to inflation of 2 percent by 2019, I think we have to wonder if we need a little more accommodation or continued accommodation," he said.

(Source Reuters, Research – @her1en)

WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/09-Oct-17	08:45	CN	Caixin China PMI Composite	Sep	51.4	--	52.4	
	08:45	CN	Caixin China PMI Services	Sep	50.6	53.1	52.7	
09-Oct - 13-Oct	N/A	KR	Foreign Direct Investments YoY	3Q	-	--	-9.0%	
	N/A	HK	Foreign Reserves	Sep	-	--	\$413.7b	
	12:30	AU	Foreign Reserves	Sep	A\$74.9b	--	A\$76.3b	
	13:00	DE	Industrial Production SA MoM	Aug	2.6%	0.9%	0.0%	-0.1%
	13:00	DE	Industrial Production WDA YoY	Aug	4.7%	3.0%	4.0%	4.2%
	15:30	EZ	Sentix Investor Confidence	Oct	29.7	28.6	28.2	
	All Day	KR	Hangul Day					
	All Day	JP	Healths and Sports Day					
	All Day	CA	Bank Holiday/ Thanksgiving Day					
	All Day	US	Bank Holiday/ Columbus Day					
Tue/10-Oct-17	05:30	AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Oct-08	113.8	--	113.4	
	06:50	JP	BoP Current Account Balance	Aug	¥2380.4b	¥2223.3b	¥2320.0b	
	06:50	JP	BoP Current Account Adjusted	Aug	¥2266.9b	¥1978.6b	¥2032.9b	
	06:50	JP	Trade Balance BoP Basis	Aug	¥318.7b	¥264.9b	¥566.6b	
	07:30	AU	NAB Business Conditions	Sep	14	--	15	14
	07:30	AU	NAB Business Confidence	Sep	7	--	5	
	07:30	JP	BOJ Kuroda speaks at Branch Managers' meeting					
	10:20	AU	RBA's Debelle Gives Speech in HK Via Video Link					
	12:00	JP	Eco Watchers Survey Current SA	Sep	51.3	49.9	49.7	
	12:00	JP	Eco Watchers Survey Outlook SA	Sep	51.0	50.5	51.1	
	12:45	CH	Unemployment Rate	Sep	3.0%	3.0%	3.0%	
	12:45	CH	Unemployment Rate SA	Sep	3.1%	3.2%	3.2%	
	13:00	DE	Trade Balance	Aug	20.0b	20.1b	19.5b	19.3b
	13:00	DE	Current Account Balance	Aug	17.8b	19.6b	19.4b	19.6b
	13:00	DE	Exports SA MoM	Aug	3.1%	0.2%	0.2%	
	13:00	DE	Imports SA MoM	Aug	1.2%	0.5%	2.2%	2.4%
	15:30	GB	Industrial Production MoM	Aug	0.2%	0.2%	0.2%	
	15:30	GB	Industrial Production YoY	Aug	1.6%	0.9%	0.4%	1.1%
	15:30	GB	Manufacturing Production MoM	Aug	0.4%	0.2%	0.5%	0.4%
	15:30	GB	Manufacturing Production YoY	Aug	2.8%	1.9%	1.9%	2.7%
	15:30	GB	Construction Output SA MoM	Aug	0.6%	0.0%	-0.9%	-1.0%
	15:30	GB	Construction Output SA YoY	Aug	3.5%	0.2%	-0.4%	
	15:30	GB	Visible Trade Balance GBP/Mn	Aug	-£14240	-£11200	-£11576	-£12830
	15:30	GB	Trade Balance Non EU GBP/Mn	Aug	-£5830	-£3600	-£3842	-£5340
	15:30	GB	Trade Balance	Aug	-£5626	-£2800	-£2872	-£4236
	17:00	US	NFIB Small Business Optimism	Sep	103.0	105.1	105.3	
	19:00	GB	NIESR GDP Estimate	Sep	0.4%	--	0.4%	0.5a5
19:15	CA	Housing Starts	Sep	217.1k	212k	223.2k		
19:30	CA	Building Permits MoM	Aug	-5.5%	-1.0%	-3.5%	-2.8%	
21:00	US	Fed's Kashkari Speaks at Regional Economic Conference						
Wed/11-Oct-17	01:00	CA	Bank of Canada's Wilkins speaks at IMF panel					
	04:00	KR	Foreign Reserves	Sep	-	--	\$384.84b	
	06:30	AU	Westpac Consumer Conf Index	Oct	101.4	--	97.9	
	06:30	AU	Westpac Consumer Conf SA MoM	Oct	3.6%	--	2.5%	
	06:50	JP	Core Machine Orders MoM	Aug	3.4%	1.7%	8.0%	
	06:50	JP	Core Machine Orders YoY	Aug	4.4%	0.8%	-7.5%	
	07:00	US	Fed's Kaplan Speaks at Stanford Institute					
	08:30	KR	Korea Central Bank to Sell KRW 2.8Tln 2-Year Bond					
	13:00	JP	Machine Tool Orders YoY	Sep P	45.3%	--	36.2%	
	18:15	US	Fed's Evans Speaks on Economy and Monetary Policy					
Thu/12-Oct-17	01:00	US	FOMC Meeting Minutes	Sep-20		--	--	
	01:40	US	Fed's Williams Gives Community Leaders Speech					

	01:50	EZ	ECB's Praet Speaks in New York				
	06:50	JP	PPI YoY	Sep		3.0%	2.9%
	06:50	JP	PPI MoM	Sep		0.2%	0.0%
	06:50	JP	Bank Lending Incl Trusts YoY	Sep		--	3.2%
	06:50	JP	Bank Lending Ex-Trusts YoY	Sep		--	3.2%
	07:00	AU	Consumer Inflation Expectation	Oct		--	3.8%
	07:00	NZ	ANZ Consumer Confidence Index	Oct		--	129.9
	07:00	NZ	ANZ Consumer Confidence MoM	Oct		--	2.9%
	07:30	AU	Home Loans MoM	Aug		1.0%	2.9%
	07:30	AU	Investment Lending	Aug		--	-3.9%
	11:30	JP	Tertiary Industry Index MoM	Aug		--	0.1%
	15:30	GB	Bank of England Credit Conditions & Bank Liabilities Surveys				
	16:00	EZ	Industrial Production SA MoM	Aug		--	0.1%
	16:00	EZ	Industrial Production WDA YoY	Aug		--	3.2%
	19:30	US	PPI Final Demand MoM	Sep		0.4%	0.2%
	19:30	US	PPI Ex Food and Energy MoM	Sep		0.1%	0.1%
	19:30	US	PPI Ex Food, Energy, Trade MoM	Sep		0.2%	0.2%
	19:30	US	Initial Jobless Claims	Oct-07		255k	260k
	19:30	US	Continuing Claims	Sep-30		--	--
	19:30	US	PPI Final Demand YoY	Sep		2.6%	2.4%
	19:30	US	PPI Ex Food and Energy YoY	Sep		2.0%	2.0%
	19:30	US	PPI Ex Food, Energy, Trade YoY	Sep		--	1.9%
	21:15	US	ECB's Draghi, Fed's Brainard Speak on Monetary Policy Panel				
	21:30	US	Fed's Powell Speaks at IIF Conference in Washington				
	22:00	US	DOE U.S. Crude Oil Inventories	Oct-06		-1277.38k	-6023k
	22:00	US	DOE Cushing OK Crude Inventory	Oct-06		--	1525k
	22:00	US	DOE U.S. Gasoline Inventories	Oct-06		-428.25k	1644k
Fri/13-Oct-17	02:15	CA	BOC's Wilkins speaks at IIF panel in Washington				
	02:15	CA	BOC's Wilkins speaks at IIF panel				
	04:30	NZ	BusinessNZ Manufacturing PMI	Sep		--	57.9
	07:30	AU	RBA Financial Stability Review				
	N/A	CN	Trade Balance CNY	Sep		260.55b	286.50b
	N/A	CN	Imports YoY CNY	Sep		16.5%	14.4%
	N/A	CN	Exports YoY CNY	Sep		10.8%	6.9%
	N/A	CN	Imports YoY	Sep		15.0%	13.3%
	N/A	CN	Exports YoY	Sep		9.5%	5.5%
	N/A	CN	Trade Balance	Sep		\$36.85b	\$41.99b
	13:00	DE	CPI MoM	Sep F		--	0.1%
	13:00	DE	CPI YoY	Sep F		--	1.8%
	13:00	DE	CPI EU Harmonized MoM	Sep F		--	0.0%
	13:00	DE	CPI EU Harmonized YoY	Sep F		--	1.8%
	14:15	CH	Producer & Import Prices MoM	Sep		--	0.3%
	14:15	CH	Producer & Import Prices YoY	Sep		--	0.6%
	19:30	US	CPI MoM	Sep		0.6%	0.4%
	19:30	US	CPI Ex Food and Energy MoM	Sep		0.2%	0.2%
	19:30	US	CPI YoY	Sep		2.2%	1.9%
	19:30	US	CPI Ex Food and Energy YoY	Sep		1.8%	1.7%
	19:30	US	CPI Core Index SA	Sep		--	252.54
	19:30	US	CPI Index NSA	Sep		246.8	245.519
	19:30	US	Real Avg Weekly Earnings YoY	Sep		--	0.9%
	19:30	US	Retail Sales Advance MoM	Sep		1.2%	-0.2%
	19:30	US	Real Avg Hourly Earning YoY	Sep		--	0.6%
	19:30	US	Retail Sales Ex Auto MoM	Sep		0.8%	0.2%
	19:30	US	Retail Sales Ex Auto and Gas	Sep		0.4%	-0.1%
	19:30	US	Retail Sales Control Group	Sep		--	-0.2%
	21:00	US	U. of Mich. Sentiment	Oct P		95	95.1
	21:00	US	U. of Mich. Current Conditions	Oct P		--	111.7
	21:00	US	U. of Mich. Expectations	Oct P		--	84.4

	21:00	US	U. of Mich. 1 Yr Inflation	Oct P		--	2.70%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Oct P		--	2.50%	
	21:00	US	Business Inventories	Aug		0.40%	0.20%	
	21:25	US	Fed's Evans Speaks on Economy and Monetary Policy					
	22:30	US	Fed's Kaplan Speaks in Boston					
Sat/14-Oct-17	00:00	US	Fed's Powell Speaks at Boston Fed Economic Conference					
	00:00	US	Baker Hughes U.S. Rig Count	Oct-13		--	936	

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

ASIAN STOCK INDICATORS – Daily Outlook

Japan's Nikkei share index closed at its highest in 21 years on Wednesday, with gains mainly led by defensive shares, though exporters benefitted from solid global growth. Japan's second biggest steelmaker Kobe Steel Ltd sank 18 percent, following its 22-percent plunge the previous day, after the company's shock revelation on Sunday that it fabricated data on aluminium and copper products shipped to about 200 companies. The Nikkei rose 0.3 percent to 20,881.27, its highest close since December 1996. The broader Topix rose 0.1 percent to 1,696.81, its highest finish in a decade. The Nikkei's advance mirrored other major stock indexes notching record highs, thanks to healthy growth prospects for the major economies in North America, Europe and Asia. Yet the Nikkei is still a long way off its all-time peak of 38,915, touched in December 1989. Despite the Nikkei hitting a milestone, Wednesday's turnover of 2.37 trillion yen on the Tokyo Stock Exchange's main board was average.

South Korean shares ended at record highs on Wednesday as expectations for robust third-quarter earnings from corporates such as Samsung Electronics boosted market sentiment. The Korea Composite Stock Price Index (KOSPI) closed up 1 percent at 2,458.16 points, its all-time closing high. Tech giant Samsung Electronics climbed 3.5 percent, rallying for a third straight session. The company shares ended trade at a record-high 2,732,000 Korean won (\$2,407.62). Foreign investors were heavy net buyers of the KOSPI shares on the day, purchasing 445.3 billion won (\$392.48 million) worth. The South Korean won was quoted at 1,135.2 to the dollar at the conclusion of onshore trade, effectively flat versus Tuesday's close at 1,135.1.

Hong Kong stocks fell on Wednesday, pressured by a sharp reversal in property shares after the city's chief executive unveiled a mix of housing and tax relief policies that disappointed some investors. The Hang Seng index fell 0.4 percent to 28,389.57 points, while the China Enterprises Index lost 0.1 percent, to 11,411.41 points. In her maiden policy speech, Carrie Lam on Wednesday warned the city faced "grave" challenges and must develop a diversified and high value economy. She pledged to increase land supply

where possible and launch a new subsidised "starter homes" scheme to help families not eligible for cheap-rental public housing. But property shares gave up initial gains, and closed the session down 1.8 percent, as some observers felt Lam's housing initiatives were not bold enough. In particular, some investors had bet Lam would announce details of how she plans to free up more land in the tiny territory for development. "Property shares are down because of the lack of mention of farmland conversion to build first homes. But the chief executive cannot be too specific, so the sell-off doesn't reflect the real picture," said Nicole Wong, a property analyst with CLSA. Materials shares also weighed, dropping 1.8 percent.

China stocks firmed on Wednesday, helped by a jump in defensive consumer staples such as big liquor producers, while resources shares curbed gains. Sentiment remained largely positive although trade was thin, with Beijing expected to maintain stability in the financial markets ahead of a key party congress later this month. The blue-chip CSI300 index rose 0.3 percent, to 3,902.69 points, while the Shanghai Composite Index added 0.2 percent to 3,388.28 points. Sector performance was mixed, with consumer and healthcare firms leading the advance, while materials sagged and banking stocks pared gains in the afternoon session. Kweichow Moutai, China's largest liquor maker by market value, climbed 1 percent to a record high, helping the major consumer index gain more than 2 percent to the highest since it was launched in 2005. The large-cap firm has surged more than 60 percent this year, as investors chased sector leaders with steady growth. Healthcare firms also rallied, led by Jiangsu Hengrui Medicine with a 2.5 percent gain, after the government pledged big healthcare reforms. An index tracking major medical firms advanced to its highest since June 2015, having gained nearly 20 percent so far this year. But resources firms continued to languish on the weakness in commodities, with China Molybdenum dropping 3.5 percent and dragging the material sector 0.8 percent lower.

(Source Reuters, Research: rizal)

ASIA AND GLOBAL MARKET SPOT PRICE 2017

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
RECORD HIGH	38915.87 (29/Dec/89)	326.12 (11/Oct/2017)	31958.41 (30/Oct/07)	22872.89 (11/Oct/2017)	2555.24 (11/Oct/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	20881.27 (11/Oct/2017)	326.12 (11/Oct/2017)	28490.83 (10/Oct/2017)	22872.89 (11/Oct/2017)	2555.24 (11/Oct/2017)	3391.64350 (14/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 – 11 October 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	22872.89	↑ 42.21/ 0.18%	.N225	20881.27	↑ 57.76/0.28%
/.SPX	2555.24	↑ 4.60/ 0.18%	.KS200	326.12	↑ 3.63/1.13%
/.IXIC	6603.548	↑ 16.296/ 0.25%	.HSI	28389.57	↓ 101.26/0.36%
JPY=	112.44	↓ 0.05/ 0.04%	/.SSEC	3389.04920	↑ 6.06130/0.18%
KRW=	1131.91	↓ 2.40/ 0.21%	/Clc1 (Oil)	51.02	↑ 0.08/ 0.16%

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



- The trend is still bullish.
- The support area is 20745, and the resistance area at 20975
- The RSI enters the overbought area, the trend may reverse
[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
11 Oct SSIpmZ7	20865	20970	20840	130	20930	---	↑ 65	0.31	21443
11 Oct SSIamZ7	20790	20900	20785	115	20865	20865	↑ 30	0.14	46375
10 Oct SSIpmZ7	20830	20840	20745	95	20815	---	↓ 20	0.10	20860
10 Oct SSIamZ7	20685	20835	20655	180	20835	20835	↑ 150	0.80	53271
09 Oct SSIpmZ7	20670	20740	20670	70	20685	---	↑ 15	0.07	4014
09 Oct SSIamZ7	20645	20705	20640	65	20670	20670	↓ 35	0.17	2885
06 Oct SSIpmZ7	20705	20760	20635	125	20650	---	↓ 55	0.27	17359
06 Oct SSIamZ7	20695	20720	20665	55	20705	20705	↑ 70	0.34	41207
05 Oct SSIpmZ7	20630	20705	20600	105	20705	---	↑ 70	0.34	18271
05 Oct SSIamZ7	20640	20665	20600	65	20635	20635	↑ 15	0.07	41424

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
20970	20670	20970	20370	20425	19085	20970	18190
(11/Oct)	(09/Oct)	(11/Oct)	(02/Oct)	(27/Sep)	(08/Sep)	(11/Oct)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	21376	Fibo Projections (423.6%)
	21175	Fibo Projections (261.8%)
	21052	Fibo Projections (161.8%)
	20975	Fibo Projections (100.0%)
SUPPORT	20745	Low 10/Oct/2017
	20660	Low 09/Oct/2017
	20575	Low 03/Oct/2017
	20370	Low 02/Oct/2017
RECOMMENDATION	BUY	20910
	SELL	----
	STOP LOSS	20810
	TARGET	21060 21110

KSZ7 (Kospi Dec Futures) – Exp. Date: 14 Dec 2017



- Corrections occur daily
- Daily RSI is already in the overbought zone, be alert of a rebound

[\(Research – @her1en\)](#)

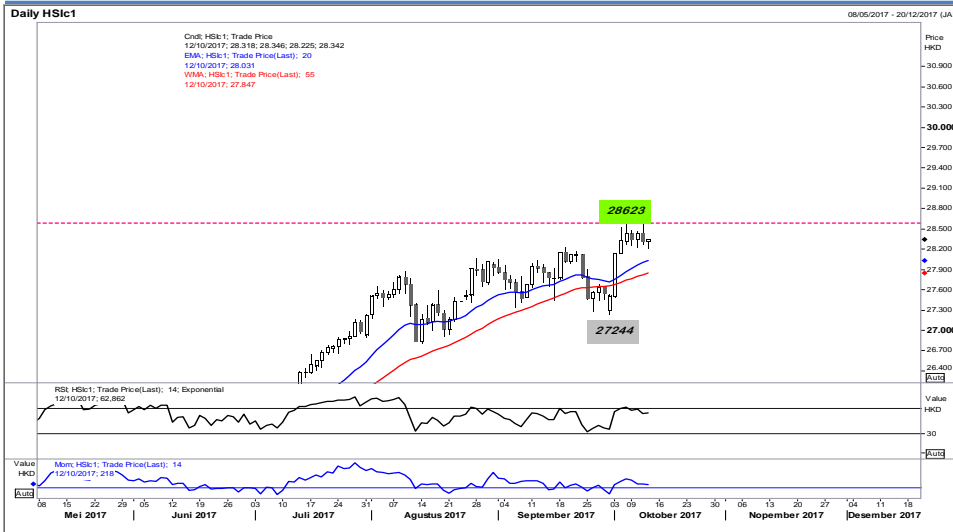
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
11 Oct	324.50	326.90	324.10	2.80	326.60	326.60	↑ 3.10	0.96	203158
10 Oct	322.30	324.85	321.40	3.45	323.50	323.50	↑ 5.85	1.84	233665
09 Oct		H	O	L	I	D	A	Y	
06 Oct		H	O	L	I	D	A	Y	
05 Oct		H	O	L	I	D	A	Y	
04 Oct		H	O	L	I	D	A	Y	

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
326.90 (11/Oct)	321.40 (10/Oct)	326.90 (11/Oct)	321.40 (10/Oct)	321.60 (20/Sep)	302.70 (06/Sep)	326.90 (11/Oct)	259.25 (02/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	337.75	Fibo Projections (261.8%)
	332.64	Fibo Projections (161.8%)
	329.48	Fibo Projections (100.0%)
	327.52	Fibo Projections (61.8%)
SUPPORT	321.40	Low 10/Oct/2017
	318.15	Low 20/Sep/2017
	314.65	Low 18/Sep/2017
	309.75	Low 13/Sep/2017
RECOMMENDATION	BUY	326.50
	SELL	----
	STOP LOSS	325.00
	TARGET	328.00 328.50

HSIV7 (Hang Seng October Futures) – Exp. Date: 30 Oct 2017



- Be alert for daily rebounds.
 - Beware of RSI approaching overbought area.
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
11 Oct	28547	28554	28274	280	28317	28317	↓ 118	0.41	102735
10 Oct	28304	28472	28244	228	28435	28435	↑ 88	0.31	93965
09 Oct	28336	28399	28255	144	28347	28347	↓ 88	0.31	102869
06 Oct	28448	28503	28386	117	28435	28435	↑ 95	0.34	10821
05 Oct		H	O	L	I	D	A	Y	
04 Oct	28188	28514	28183	331	28340	28340	↑ 192	0.68	88072
03 Oct	27745	28148	27688	460	28148	28148	↑ 633	2.30	113173

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
28554	28255	28554	27688	28225	27272	28554	21863
(11/Oct)	(09/Oct)	(11/Oct)	(03/Oct)	(19/Sep)	(28/Sep)	(11/Oct)	(03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	29248	High 10/Des/2007
	28822	High 12/Des/2007
	28623	High 06/Oct/2017
	28475	High 09/Oct/2017
SUPPORT	28255	Low 09/Oct/2017
	28141	Low 04/Oct/2017
	27483	Low 03/Oct/2017
	27244	Low 29/Sep/2017
RECOMMENDATION	BUY	----
	SELL	28380
	STOP LOSS	28530
	TARGET	28230 28180

CURRENCIES – *Daily Outlook*

Dollar index hits 2-week lows as Fed minutes show inflation concerns - Reuters News



The dollar fell on Wednesday to a two-week low against a basket of currencies, as the U.S. Federal Reserve's latest minutes hinted policy-makers are open to an interest rate increase in December despite concerns about weak inflation. Several Fed officials expressed they would like more inflation data in the next few months when deciding on future rate hikes. That view within the Fed raised some doubts among traders that a third rate increase in 2017 would be a sure thing, though it has largely been priced into the

futures market.

"Any comments on concerns about inflation outlook signals a bit a dovish mindset," said Minh Trang, senior currency trader at Silicon Valley Bank in Santa Clara, California.

Futures markets suggested traders saw an 88 percent chance the Fed would raise rates in December, little changed prior to the release of the latest Fed minutes, CME Group's FedWatch program showed.

The Fed minutes pressured the dollar, which has weakened from a 10-week high since Friday, when the September payrolls report showed employers cut jobs.

"After last Friday's disappointing payrolls number, people has been taking profit" on U.S. dollar positions, said Lennon Sweeting, chief market strategist at XE in Toronto.

Investors were also concerned U.S. President Donald Trump could hurt his tax reform plan by feuding with Senator Bob Corker, a fellow Republican whose vote Trump will probably need.

The dollar index, which measures the greenback against six currencies, lost nearly 0.4 percent to 92.937 after hitting its lowest since Sept. 26.

The greenback was particularly weak versus the euro as Spanish stocks and bonds surged after Catalonia stopped short of formally declaring independence from the rest of Spain.

The single currency was also supported by expectations that the European Central Bank would announce at its policy meeting later this month that it would wind back its 2.3 trillion euro bond-buying program.

Any more advances by the euro should be limited since it has already appreciated more than 12 percent against the dollar this year, analysts said.

The euro reached a two-week peak at \$1.1864. It was last at \$1.1863, up 0.5 percent from Tuesday.

(Source Reuters, Research – @her1en)

EUR/USD

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



- With support area at 1.1477
- Crucial resistance around 1.2092
- Daily RSI is rise
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 11	1.18074	1.18679	1.17940	73,9	1.18575	↑ 51,2	1.18063
Oct 10	1.17399	1.18243	1.17381	86,2	1.18063	↑ 68,1	1.17382
Oct 09	1.17382	1.17548	1.17183	36,5	1.17382	↑ 8,0	1.17302
Oct 06	1.17103	1.17375	1.16670	70,5	1.17302	↑ 21,1	1.17091
Oct 05	1.17556	1.17777	1.16978	79,9	1.17091	↓ 48,9	1.17580

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.18679 (11/Oct)	1.17183 (09/Oct)	1.18679 (11/Oct)	1.16670 (06/Oct)	1.20915 (08/Sep)	1.17157 (27/Sep)	1.20915 (08/Sep)	1.0342 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.2170	High Dec 31, 2014
	1.2092	High Sept 08
	1.2004	High Sept 22
	1.1960	High Sept 25
SUPPORT	1.1737	Low Oct 10
	1.1667	Low Oct 06
	1.1477	Low Jul 20
	1.1369	Low Jul 13
RECOMMENDATION	BUY	1.1840
	SELL	-----
	STOP LOSS	1.1775
	TARGET	1.1920 1.1950

USD/JPY

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



- The bearish trend
- RSI depressed at 50%
[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 11	112.365	112.574	112.068	50,6	112.466	↑1,66	112.450
Oct 10	112.649	112.816	111.976	84,0	112.450	↓20,7	112.657
Oct 09	112.484	112.734	112.473	26,1	112.657	↓4,0	112.697
Oct 06	112.777	113.427	112.629	79,8	112.697	↓10,2	112.799
Oct 05	112.779	112.906	112.401	50,5	112.799	↑5,9	112.740

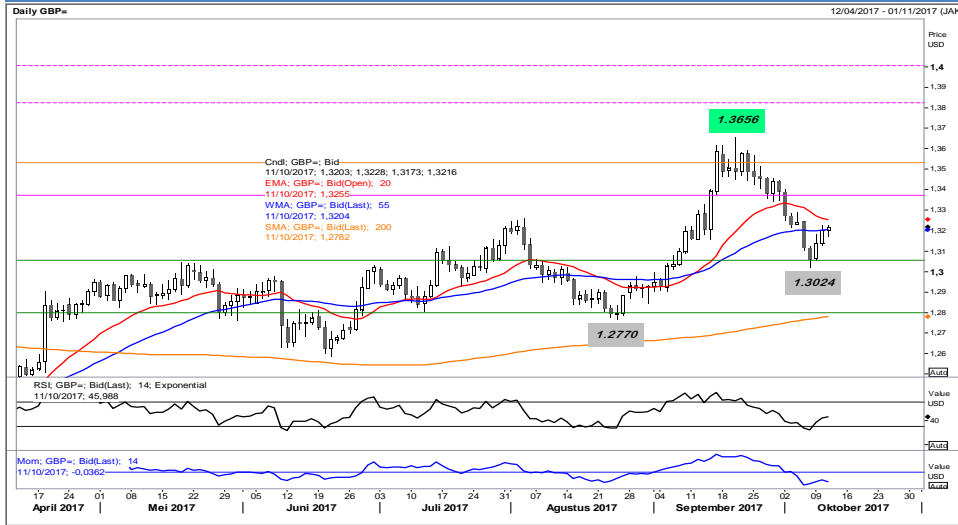
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
112.734 (09/Oct)	111.976 (10/Oct)	113.427 (03/Oct)	111.976 (10/Oct)	113.245 (27/Sep)	107.307 (08/Sep)	118.60 (03/Jan)	107.307 (08/Sep)

ANALYSIS & RECOMMENDATION

RESISTANCE	115.19	High 14/Mar/2017 (Reaction high)
	114.49	High 11/Jul/2017 (Peak)
	113.57	High 14/Jul/2017 (Reaction high)
	112.82	High 10/Oct/2017
SUPPORT	111.46	Low 25/Sep/2017
	109.54	Low 15/Sep/2017
	107.31	Low 08/Sep/2017
	106.51	Low 14/Nov/2016
RECOMMENDATION	BUY	----
	SELL	112.60
	STOP LOSS	113.20
	TARGET	111.90 111.60

GBP/USD

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



- The movement is bearish.
 - RSI rebounds the oversold area.
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 11	1.32029	1.32332	1.31742	59,0	1.32180	↑ 18,9	1.31991
Oct 10	1.31400	1.32247	1.31297	95,0	1.31991	↑ 60,6	1.31385
Oct 09	1.30806	1.31827	1.30739	108,8	1.31385	↑ 73,5	1.30650
Oct 06	1.31178	1.31183	1.30259	92,4	1.30650	↓ 50,7	1.31157
Oct 05	1.32393	1.32489	1.31066	142,3	1.31157	↓ 128,0	1.32437

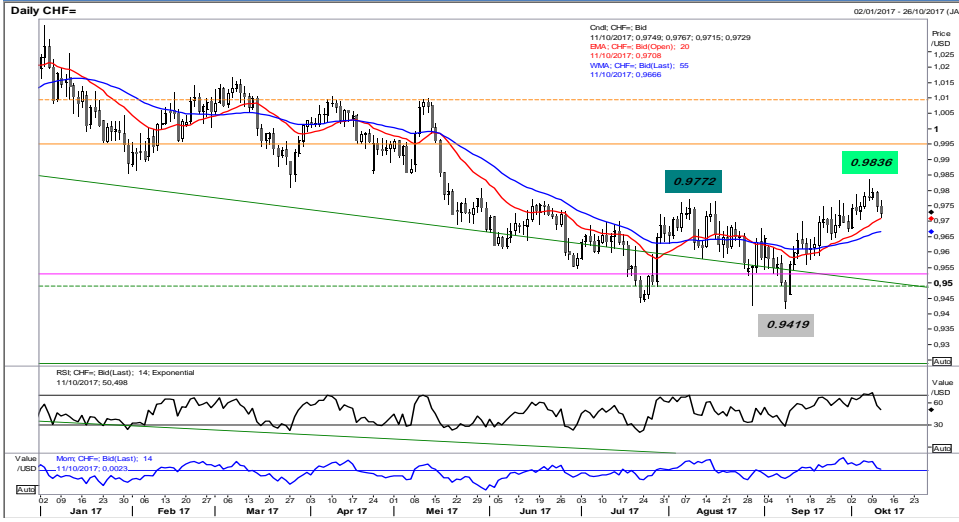
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.32247 (10/Oct)	1.30739 (09/Oct)	1.33969 (02/Oct)	1.30259 (06/Oct)	1.36565 (20/Sep)	1.29043 (01/Sep)	1.36565 (20/Sep)	1.1986 (16/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3656	High 20/Sep/2017
	1.3595	High 22/Sep/2017
	1.3455	Reaction high Sept 28
	1.3290	Reaction High Oct 04 (Daily)
SUPPORT	1.3129	Low 10/Oct/2017
	1.3054	Low 09/Oct/2017
	1.2907	Low 05/Sep/2017
	1.2849	Low 31/Aug/2017
RECOMMENDATION	BUY	1.3200
	SELL	----
	STOP LOSS	1.3140
	TARGET	1.3270 1.3300

USD/CHF

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



- The trend of RSI tends to fall.
- Be alert for daily rebounds. [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 11	0.97478	0.97658	0.97158	50,0	0.97306	↓ 19,4	0.97500
Oct 10	0.97950	0.97982	0.97340	64,2	0.97500	↓ 45,2	0.97952
Oct 09	0.97788	0.98064	0.97733	33,1	0.97952	↑ 12,4	0.97828
Oct 06	0.97802	0.98354	0.97695	65,9	0.97828	↑ 00,5	0.97823
Oct 05	0.97500	0.97944	0.97418	52,6	0.97823	↑ 33,4	0.97489

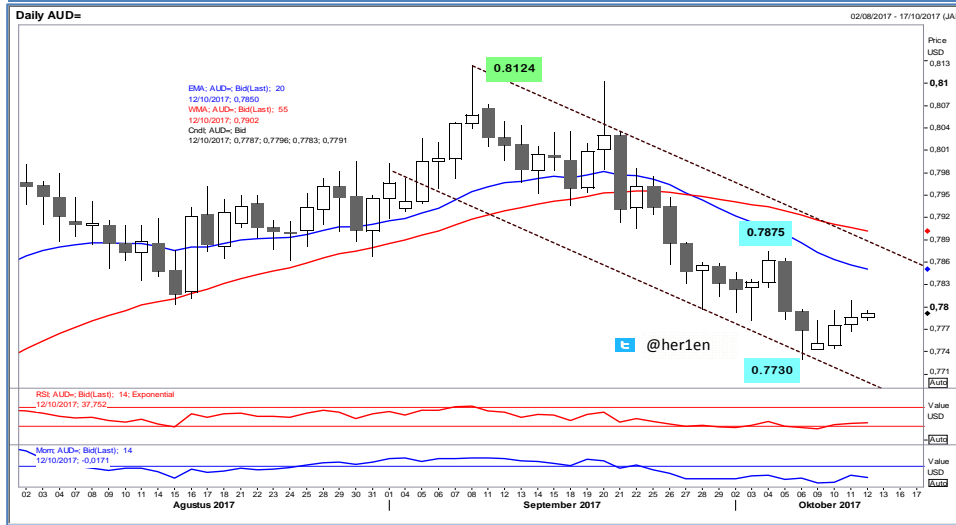
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.98064 (09/Oct)	0.97340 (10/Oct)	0.98354 (06/Oct)	0.96809 (02/Oct)	0.97686 (27/Sep)	0.94195 (08/Sep)	1.0335 (03/Jan)	0.94195 (08/Sep)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.0107	High 10/Apr/2017
	1.0099	High 11/May/2017
	0.9967	High 16/May/2017
	0.9825	High 18/May/2017
SUPPORT	0.9668	Low 29/Sep/2017
	0.9562	Low 15/Sep/2017
	0.9419	Low 08/Sep/2017
	0.9251	Low 28/Aug/2017
RECOMMENDATION	BUY	----
	SELL	0.9760
	STOP LOSS	0.9820
	TARGET	0.9690
		0.9660

AUD/USD

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



- Correction occurs in daily
- The main resistance at 0.8124, support 0.7671
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 11	0.77776	0.78078	0.77697	38,1	0.77863	↑ 10,0	0.77763
Oct 10	0.77518	0.77959	0.77487	47,2	0.77763	↑ 26,4	0.77499
Oct 09	0.77706	0.77810	0.77464	34,6	0.77499	↓ 22,4	0.77723
Oct 06	0.77928	0.77971	0.77318	65,3	0.77723	↓ 20,0	0.77923
Oct 05	0.78577	0.78641	0.77856	78,5	0.77923	↓ 67,6	0.78599

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.78078 (11/Oct)	0.77464 (09/Oct)	0.78738 (04/Oct)	0.77318 (06/Oct)	0.81239 (08/Sep)	0.77984 (28/Sep)	0.81239 (08/Sep)	0.7182 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.8124	High Sept 08
	0.8036	High Sept 21
	0.7948	High Sept 26
	0.7875	High Oct 04
SUPPORT	0.7721	Low July 14
	0.7671	Low July 13
	0.7567	Low July 05
	0.7532	Low June 22
ECOMMENDATION	BUY	0.7770
	SELL	-----
	STOP LOSS	0.7710
	TARGET	0.7835 0.7870

NZD/USD

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



- The series rises to a high level in daily movement
- Daily RSI flat ([Research - @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 11	0.70689	0.70975	0.70612	36,3	0.70834	↑ 13,6	0.70698
Oct 10	0.70562	0.70868	0.70545	32,3	0.70698	↑ 6,9	0.70629
Oct 09	0.70628	0.70844	0.70583	26,1	0.70629	↓ 28,9	0.70918
Oct 06	0.71155	0.71162	0.70578	58,4	0.70918	↓ 24,4	0.71162
Oct 05	0.71605	0.71655	0.71101	55,4	0.71162	↓ 50,4	0.71666

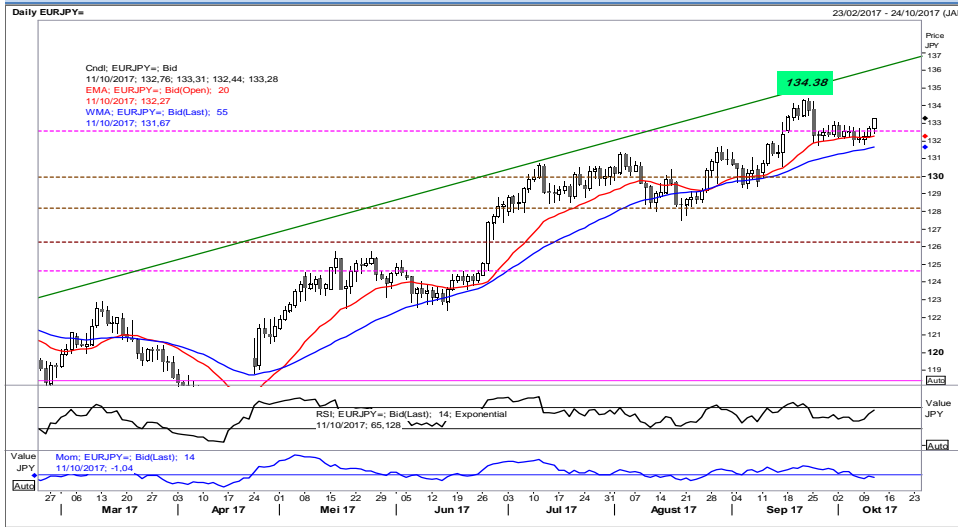
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.70975	0.70545	0.72248	0.70545	0.74323	0.71446	0.75570	0.68166
(11/Oct)	(10/Oct)	(02/Oct)	(10/Oct)	(20/Sep)	(01/Sep)	(27/Jul)	(11/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7276	High Sept 26
	0.7243	High Sept 29
	0.7205	High Oct 04
	0.7166	High Oct 05
SUPPORT	0.7005	Low May 26
	0.6879	Low May 19
	0.6816	Low May 11
	0.6756	Low June 01
RECOMMENDATION	BUY	0.7065
	SELL	-----
	STOP LOSS	0.7005
	TARGET	0.7135 0.7165

EUR/JPY

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



- RSI occurs rebound, be alert of price fluctuations.
 - The bullish trend.
- [\(Research – riza!\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 11	132.669	133.468	132.427	104,1	133.385	↑ 61,8	132.767
Oct 10	132.250	132.843	132.218	62,5	132.767	↑ 51,7	132.250
Oct 09	132.032	132.467	131.949	51,8	132.250	↑ 4,8	132.202
Oct 06	132.073	132.737	131.947	79,0	132.202	↑ 10,3	132.099
Oct 05	132.584	132.747	131.814	93,3	132.099	↓ 48,4	132.583

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
132.843 (10/Oct)	131.949 (09/Oct)	133.044 (02/Oct)	131.814 (05/Oct)	134.377 (22/Sep)	129.340 (06/Sep)	134.377 (22/Sep)	114.87 (17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	137.46	High 17/Sep/2015
	136.95	High 09/Oct/2015 (Reaction high)
	136.40	High 21/Oct/2015 (Reaction high)
	134.59	High 04/Dec/2015 (Reaction high)
SUPPORT	132.21	Low 10/Oct/2017
	131.72	Low 26/Sep/2017
	130.59	Low 15/Sep/2017
	129.34	Low 06/Sep/2017 (Reaction low)
RECOMMENDATION	BUY	133.15
	SELL	----
	STOP LOSS	132.45
	TARGET	133.85 134.25

USD/CAD

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



- There was a daily rebound.
 - The RSI has entered the overbought area, be alert of a rebound.
- [\(Research – riza\)](#)

WEEKLY OPEN	CURRENT PRICE
1.2530	1.2453

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2558 (09/Oct)	1.2548 (11/Oct)	1.2597 (06/Oct)	1.2444 (04/Oct)	1.2527 (29/Sep)	1.2057 (08/Sep)	1.3793 (05/May)	1.2057 (08/Sep)

ANALYSIS & RECOMMENDATION		
RESISTANCE	1.2943	High 11/Jul/2017
	1.2778	High 15/Aug/2017
	1.2662	High 31/Aug/2017
	1.2597	High 06/Oct/2017
SUPPORT	1.2412	Low 29/Sep/2017
	1.2326	Low 26/Sep/2017
	1.2251	Low 22/Sep/2017 (Reaction low)
	1.2198	Low 20/Sep/2017 (Reaction low)
RECOMMENDATION	BUY	----
	SELL	1.2480
	STOP LOSS	1.2550
	TARGET	1.2420– 1.2380

Precious Metal – *Daily Outlook*

Gold extends gains after latest Fed meeting minutes - Reuters News



Gold extended gains after September minutes from the U.S. Federal Reserve showed policymakers debated the prospects of a pickup in inflation and the path of future interest rate rises if it did not.

The U.S. central bank should gradually increase interest rates over the next two years, bringing the federal funds rate to 2.5 percent, said San Francisco Fed President John Williams, separately at an event in Utah.

Spot gold was up 0.4 percent at \$1,292.88 per ounce by 3:43 p.m. EDT (1943 GMT), while U.S. gold futures for December delivery settled down \$4.90, or 0.4 percent, at \$1,288.90 per ounce, prior to the release of the minutes.

"The Fed minutes seemed to be stressing that low inflation may not be transitory and emphasized data dependency," said Bart Melek, head of commodity strategy at TD Securities in Toronto.

"This is somewhat positive for gold relative to where we were positioned just ahead."

Gold could reach \$1,300 per ounce by week's end, Melek added.

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

Spot gold hit the highest level in nearly two weeks on Tuesday, and on Wednesday, made its fourth straight day of gains.

Before that, gold had been declining since early September after touching a 1-year high of \$1,357.54.

The dollar index fell to the lowest in nearly two weeks, making dollar-priced gold cheaper for buyers using other currencies.

"These concerns about the ramifications of the Catalan independence referendum are fading, giving some support to the euro and weakening the dollar," said Jens Pedersen, senior analyst at Danske Bank in Copenhagen.

Catalonia's leader, who balked earlier at making a formal declaration of independence, together with more upbeat predictions for the global economy, helped push world stocks to another record high.

"With equities at all-time highs, gold also looks attractive as a hedge, especially given the correlation between the two assets has remained in negative territory this year," Joni Teves, strategist at UBS in London, said in a note.

In other precious metals, silver rose 0.8 percent to \$17.22 per ounce, having hit a three-week high in the previous session.

Platinum rose 0.02 percent to \$929.20 per ounce, hitting a two-week high of \$934.50 and palladium increased 2.8 percent at \$959.75, a one-month high.

(Source Reuters, Research – @her1en)

GOLD (XAU/USD)



- Rebound faces resistance around 1313
- While the crucial support area is around 1260
- Daily RSI flat ([Research – @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Oct 11	1287.870	1293.390	1284.410	8.98	1291.550	↑ 4.00	1287.550	1290.20	1289.25
Oct 10	1283.770	1294.020	1281.960	12.06	1287.550	↑ 3.77	1283.780	1289.60	1291.40
Oct 09	1277.000	1285.300	1275.120	10.18	1283.780	↑ 10.28	1273.500	1282.15	1278.75
Oct 06	1268.560	1275.510	1260.470	15.04	1273.500	↑ 5.53	1267.970	1268.20	1261.80
Oct 05	1275.140	1278.800	1266.230	12.57	1267.970	↓ 6.53	1274.500	1278.40	1274.50

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1294.960 (10/Oct)	1275.120 (09/Oct)	1294.960 (10/Oct)	1260.470 (06/Oct)	1357.380 (08/Sep)	1277.560 (28/Sep)	1357.380 (08/Sep)	1146.31 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1357.54	High Sept 08
	1334.36	High Sept 15
	1313.54	High Sept 26
	1296.13	High Sept 27
SUPPORT	1281.90	Low Oct 10
	1275.01	Low Oct 09
	1267.23	Low Aug 15
	1260.56	Low Aug 09
RECOMMENDATION	BUY	1289.00
	SELL	-----
	STOP LOSS	1280.00
	TARGET	1299.00 1304.00

SILVER (XAG/USD)



- With strong resistance at 17.62
- While the crucial support area is around 16.10
 ([Research – @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 11	17.104	17.220	17.044	0.18	17.151	↑ 0.06	17.093
Oct 10	16.945	17.231	16.919	0.31	17.093	↑ 0.15	16.942
Oct 09	16.809	16.975	16.781	0.19	16.942	↑ 0.20	16.747
Oct 06	16.592	16.847	16.316	0.53	16.747	↑ 0.17	16.579
Oct 05	16.589	16.728	16.551	0.18	16.579	↑ 0.01	16.568

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.231	16.781	17.231	16.316	18.199	16.614	18.63	14.334
(10/Oct)	(09/Oct)	(10/Oct)	(06/Oct)	(08/Sep)	(29/Sep)	(17/Apr)	(07/Jul)

ANALYSIS & RECOMMENDATION

RESISTANCE	17.85	High Sept 15
	17.62	High Sept 18
	17.39	High Sept 20
	17.24	High Sept 26
SUPPORT	16.77	Low Oct 09
	16.30	Low Oct 06
	16.10	Low Aug 07
	15.94	Low July 17
ECOMMENDATION	BUY	17.10
	SELL	-----
	STOP LOSS	16.85
	TARGET	17.45
		17.65

OIL – Daily Outlook

Oil prices settle up on demand forecasts, Kurdistan tensions - Reuters News



Oil prices rose for the third day on Wednesday as OPEC forecast higher demand for 2018 and heightened tensions in Kurdistan supported prices.

Brent crude futures rose 33 cents, or 0.6 percent, to settle at \$56.94 per barrel. Brent rose 2 percent the previous day.

U.S. West Texas Intermediate (WTI) crude futures rose 38 cents, or 0.8 percent, to \$51.30 a barrel.

The Organization of the Petroleum Exporting Countries forecast stronger demand for its oil in 2018 and said

production cuts by producing nations were clearing the global crude glut.

U.S. oil exports are pouring into the market at a record pace, but the world's second largest crude trader Glencore said the market can absorb the volumes along with those from the North Sea and West Africa.

"I think the market is able to absorb that 2 million bpd of U.S. exports easily," Glencore's head of oil trading Alex Beard told the Reuters Global Commodities Summit. "I don't think there are many losers out there."

Saudi Arabia said it pumped 9.97 million barrels per day in September, up from August, but still below target.

OPEC and other producers, including Russia, agreed to cut output by 1.8 million barrels per day (bpd). The United States is not party to the deal, and its crude output has risen 10 percent this year to more than 9.5 million bpd.

After settlement, crude prices pared gains when the industry group the American Petroleum Institute said its data showed U.S. crude stocks rose unexpectedly last week, while gasoline inventories decreased and distillate stocks built.

API said crude inventories rose 3.1 million barrels in the week to Oct. 6. Analysts had expected a draw of 2 million barrels. The U.S. Department of Energy reports official data on Thursday.

Rob Haworth, senior investment strategist at U.S. Bank Wealth Management said OPEC and oil bulls were "hoping U.S. producers slow down production and make further progress on inventory cuts." He said the picture was "not clear because you still have hurricane related news."

Iraqi government forces and Iranian-trained Iraqi paramilitaries are "preparing a major attack" on Kurdish forces in the oil-rich region of Kirkuk and near Mosul in northern Iraq, the Kurdistan Regional Government (KRG) said.

Although an Iraqi military spokesman denied any attack, John Kilduff, a partner at Again Capital LLC, said "worries over Kurdistan are helping...get us back over 51."

Monroe Energy, a subsidiary of Delta Air Lines Inc, was shutting its 185,000 barrel-per-day Trainer, Pennsylvania, refinery due to a fire on Wednesday, a source familiar with the plant's operations said.

News of the outage sent U.S. gasoline margins up as much as 4.4 percent to a session high of \$16.62 a barrel. [\(Source Reuters, Research – @her1en\)](#)

CLX7/USD (OIL)

(Exp.: 20 Oct. 2017 - Reuters)



- Daily RSI is flat
 - The series rises to a high level in daily movement
 - Important resistance at 52.86, support at 47.00.
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 11	50.92	51.40	50.60	0.80	51.01	↑ 0.08	50.93
Oct 10	49.53	51.04	49.52	1.52	50.93	↑ 1.39	49.54
Oct 09	49.25	49.76	49.12	0.64	49.54	↑ 0.34	49.20
Oct 06	50.73	50.80	49.09	1.71	49.20	↓ 1.54	50.74
Oct 05	49.86	51.20	49.83	1.37	50.74	↑ 0.86	49.88

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
51.40 (11/Oct)	49.12 (09/Oct)	51.69 (02/Oct)	49.09 (06/Oct)	52.84 (28/Sep)	46.55 (01/Sep)	55.22 (03/Jan)	42.04 (21/Jun)

ANALYSIS & RECOMMENDATION

RESISTANCE	54.44	High Mar 01
	53.99	High Apr 19
	52.86	High Sept 28
	51.77	High Sept 29
SUPPORT	49.54	Low Oct 10
	48.12	Low Sept 13
	47.00	Low Sept 11
	46.14	Low Aug 31
RECOMMENDATION	BUY	50.85
	SELL	----
	STOP LOSS	49.95
	TARGET	52.25 52.75