

Daily Bulletin

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

Research Department

10/13/2017

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GLOBAL MARKETS & ECONOMIES

GLOBAL MARKETS

- U.S. Treasury yields dipped and the dollar rose slightly on Thursday as investors awaited U.S. inflation data while Wall Street stock indexes fell as earnings season kicked off with a whimper.

GLOBAL ECONOMIES

- New Zealand house prices inched higher on an annual basis last month, while the number of properties sold fell to its lowest for the month of September in six years, the Real Estate Institute of New Zealand (REINZ) said on Thursday.
- Japanese wholesale prices rose in September at the fastest annual pace in almost nine years due to rising prices for gasoline, metals, and agricultural products, but the gains won't necessarily boost the country's notoriously weak inflation.
- A longer extension of the European Central Bank's bond-buying programme may be more beneficial during periods of calm, the ECB's chief economist, Peter Praet, said on Wednesday, just weeks before the bank decides whether to extend stimulus.
- Brexit talks are deadlocked over money, the EU's Michel Barnier said on Thursday as he ruled out discussions on future trade being launched by EU leaders next week but spoke of possible progress by December.
- U.S. producer prices rose in September as the price of gasoline recorded its biggest increase in more than two years amid hurricane-related production disruptions at oil refineries in Texas.

GLOBAL MARKETS

U.S. & Global Markets – U.S. Treasury yields dipped and the dollar rose slightly on Thursday as investors awaited U.S. inflation data while Wall Street stock indexes fell as earnings season kicked off with a whimper.

U.S. Treasury prices gained after the Treasury Department saw strong demand for a sale of 30-year bonds.

While investors cheered an increase in the U.S. producer price index (PPI) for last month announced Thursday, inflation concerns were still in focus ahead of consumer price index (CPI) data on Friday after Federal Reserve minutes showed a more guarded view.

After four straight days of declines, the dollar index, tracking the greenback against a basket of major currencies, rose 0.07 percent.

"The move in the dollar index this week is primarily a correction to the big move that we had in September," said Marc Chandler, global head of currency strategy at Brown Brothers Harriman. "It's largely corrective as the market awaits fresh signals."

Adding to this pressure, sterling jumped to its highest since Oct. 4, with analysts citing a report in Germany's Handelsblatt newspaper that the European Union could offer Britain a two-year transitional Brexit deal. Sterling was last trading at \$1.3261, up 0.30 percent on the day.

In U.S. stocks, banks and media companies were the biggest drags on the S&P 500 as AT&T Inc fueled concerns about video subscribers and investors took fright at comments from JPMorgan and Citigroup's earnings calls.

"People got a little bit spoiled by the very nice advances we saw in the first and second quarter, but keep in mind that earnings started perking up in the third quarter of last year so the year-over-year comparisons might not look as robust," said John Carey, portfolio manager at Pioneer Investment Management in Boston.

The pan-European FTSEurofirst 300 index rose 0.01 percent and MSCI's gauge of stocks across the globe gained 0.04 percent. The MSCI index reached a record high, as it has for seven of the past eight trading days.

Benchmark 10-year notes were last up 7/32 in price to yield 2.3195 percent, from 2.345 percent late on Wednesday.

The 30-year bond was last up 15/32 in price to yield 2.8483 percent, from 2.876 percent late on Wednesday. *(Source Reuters – @her1en)*

GLOBAL ECONOMIES

New Zealand – New Zealand house prices inched higher on an annual basis last month, while the number of properties sold fell to its lowest for

the month of September in six years, the Real Estate Institute of New Zealand (REINZ) said on Thursday.

Annual house prices across New Zealand rose 0.6 percent on a seasonally adjusted basis, and fell 1.3 percent on the month.

The number of properties sold during September fell 26.2 percent year on year, as uncertainty surrounding a Sept. 23 election weighed.

"The soggy start to spring combined with the 'election effect' has had a significant impact on the number of sales across the country," REINZ Chief Executive Bindi Norwell said.

Japan – Japanese wholesale prices rose in September at the fastest annual pace in almost nine years due to rising prices for gasoline, metals, and agricultural products, but the gains won't necessarily boost the country's notoriously weak inflation.

Economists expect consumer prices to rise only gradually because many Japanese companies prefer to absorb higher input costs rather than increasing prices, making it difficult for the Bank of Japan (BOJ) to reach its 2 percent inflation target.

"Prices are rising upstream, but companies are very reluctant to raise retail prices," said Norio Miyagawa, senior economist at Mizuho Securities.

"If anything, I am worried about corporate profit margins. It is difficult for consumer prices to accelerate when companies do not pass on higher costs."

Wholesale prices rose 3.0 percent in September from a year earlier, increasing for the ninth straight month, BOJ data showed on Thursday.

September's gains marked the fastest wholesale price growth since October 2008, excluding the effect of a nationwide sales tax hike in 2014. (The BOJ said the sales tax applies not only to consumers but also to many transactions between companies.)

The rise in the corporate goods price index (CGPI), which measures the price that firms charge each other for their goods and services, matched the median economists' estimate and followed a 2.9 percent annual increase in August.

The BOJ has had to push back the timing for reaching its price target six times since it deployed its massive stimulus programme in 2013.

It now hopes consumer inflation will hit its target by March 2020, as signs of strength in the economy and a tight job market boost wages and give households more purchasing power.

Nationwide core consumer prices rose 0.7 percent year-on-year in August, which was faster than July but still well below the 2 percent inflation the BOJ hopes to achieve.

The BOJ next meets on Oct. 30-31, where it will update its consumer price forecasts. There is a chance that one policymaker could formally propose more monetary stimulus after a summary of opinions from the previous meeting showed one member said stronger measures were needed.

Such a proposal is unlikely to win over a majority of the BOJ's nine board members, but it could spur more public debate about whether the BOJ's policies still make sense after it has repeatedly revised the length of time needed to reach its price target.

Japanese bank lending rose 3.0 percent in September from a year earlier, separate data showed. This was a slight slowdown from a 3.2 percent annual increase in August but still indicated healthy credit growth.

Euro Zone – A longer extension of the European Central Bank's bond-buying programme may be more beneficial during periods of calm, the ECB's chief economist, Peter Praet, said on Wednesday, just weeks before the bank decides whether to extend stimulus.

"In more normal market conditions ... investors may become 'more patient', or, in other words, better able to evaluate the stimulus that can be expected to come from a purchase plan that is to be executed over a more extended time interval," Praet said in a speech in New York, which reiterated comments he made recently.

Although Praet stopped short of endorsing a longer extension of asset buys at lower volumes, he noted that the euro zone was on its best run in years, enjoying a solid, broad-based, resilient recovery.

With the ECB's 2.3 trillion euro bond purchase scheme due to expire at the end of the year, the choice on Oct. 26, when the ECB holds its next policy meeting, is likely to be between a small extension with a moderate cut in asset purchases or a bigger extension but at even lower monthly volumes.

The core of the ECB's dilemma is that while economic growth is solid, helped by its stimulus, inflation remains anemic, likely undershooting the central bank's almost 2 percent target for years to come.

"While the euro area recovery remains solid, broad-based and resilient, the economy has yet to make sufficient progress towards a sustained adjustment in the path of inflation to levels that are consistent with the Governing Council's aim," Praet said.

He added that although there have been some encouraging signs on inflation, they remained timid, so stimulus is still required.

Praet noted that reinvestments from maturing debt will also provide accommodation, and the ECB is likely to release more data on its reinvestments in the near future.

Policy hawks argue that the ECB has done what it could to raise inflation so it should now step back and just give it time. Doves caution that a hasty exit could trigger market turbulence that unwinds the very stimulus the bank had hoped to achieve.

But while policymakers disagree over the bank's next move, most agree that some reduction in stimulus is appropriate, even if easy monetary policy is likely to remain for years to come.

U.K. – Brexit talks are deadlocked over money, the EU's Michel Barnier said on Thursday as he ruled out discussions on future trade being launched by EU leaders next week but spoke of possible progress by December.

Barnier and his British counterpart, Brexit Secretary David Davis, told reporters there had been some progress this week on the other two issues around Britain's March 2019 withdrawal from the bloc on which

the EU demands "sufficient progress" before it will agree to discuss a transition and future relationship.

Davis renewed his call for EU leaders to give a green light to those talks when they meet Prime Minister Theresa May at an EU summit in Brussels next Thursday.

Barnier made clear, however, that despite new momentum from concessions given by May in a speech at Florence last month 22, British proposals on expatriate citizens' rights and the Irish border still failed the EU test, while London's refusal to spell out a detailed cash offer was "very worrying" for business.

May said Britain would ensure the other 27 countries did not lose out financially from Brexit in the current EU budget period to 2020 and would honour commitments -- but Barnier said London was failing to spell out just what it was ready to pay.

"Regarding that question, we are at an impasse, which is very worrying for thousands of projects everywhere in Europe and also worrying for those who contribute," he said.

Nonetheless, he offered hope: "I am still convinced that, with political will, decisive progress is within reach in the coming two months. With David Davis, we will organise several negotiating meetings between now and the end of the year."

With signs that nerves are fraying on both sides and some hardline Brexit supporters demanding that May just walk out of talks, both negotiators repeated that they were ready for any eventuality including a collapse. But, Barnier warned, "no deal would be a very bad deal".

U.S. – U.S. producer prices rose in September as the price of gasoline recorded its biggest increase in more than two years amid hurricane-related production disruptions at oil refineries in Texas.

Other data on Thursday showed applications for unemployment benefits dropped to a more than one-month low last week as the boost to claims in Texas and Florida from Hurricanes Harvey and Irma continued to unwind.

While the storms impacted the data, there were signs of underlying strength in both wholesale inflation and the labor market, potentially leaving the Federal Reserve on track to raise interest rates again in December.

The Labor Department said its producer price index for final demand increased 0.4 percent last month after rising 0.2 percent in August. Wholesale prices were also lifted by an increase in the cost of services. In the 12 months through September, the PPI jumped 2.6 percent. That was the biggest gain since February 2012 and followed a 2.4 percent jump in August.

Wholesale gasoline prices soared 10.9 percent in September after increasing 9.5 percent in August. The increase was the largest since May 2015 and accounted for two-thirds of the 0.7 percent rise in the price of goods. The Labor Department said higher energy prices were likely the result of "reduced refining capacity in the Gulf Coast area due to Hurricane Harvey."

It said Harvey and Irma, which devastated Florida, had "virtually" no impact on the collection of PPI data or survey response rates. Harvey and Irma, which struck in late August and early September, caused the economy to shed jobs last month for the first time in seven years.

The storms have also restrained consumer spending and undercut industrial production, homebuilding and home sales.

Last month's gasoline-driven surge in the PPI, however, is likely to be temporary amid ample crude oil supplies.

The U.S. dollar was little changed against a basket of currencies after the data. Prices of U.S. Treasuries pared gains while U.S. stock index futures were trading lower. *(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%	3.0%	2.9%	
	06:50	JP	PPI MoM	Sep	0.2%	0.2%	0.0%	
	06:50	JP	Bank Lending Incl Trusts YoY	Sep	3.0%	--	3.2%	
	06:50	JP	Bank Lending Ex-Trusts YoY	Sep	3.0%	--	3.2%	
	07:00	AU	Consumer Inflation Expectation	Oct	4.3%	--	3.8%	
	07:00	NZ	ANZ Consumer Confidence Index	Oct	126.3	--	129.9	
	07:00	NZ	ANZ Consumer Confidence MoM	Oct	-2.8%	--	2.9%	
	07:30	AU	Home Loans MoM	Aug	1.0%	1.0%	2.9%	2.8%
	07:30	AU	Investment Lending	Aug	4.3%	--	-3.9%	-3.7%
	11:30	JP	Tertiary Industry Index MoM	Aug	-0.2%	0.1%	0.1%	
	15:30	GB	Bank of England Credit Conditions & Bank Liabilities Surveys					
	16:00	EZ	Industrial Production SA MoM	Aug	1.4%	0.6%	0.1%	0.3%
	16:00	EZ	Industrial Production WDA YoY	Aug	3.8%	2.6%	3.2%	3.6%
	19:30	US	PPI Final Demand MoM	Sep	0.4%	0.4%	0.2%	
	19:30	US	PPI Ex Food and Energy MoM	Sep	0.4%	0.1%	0.1%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	Sep	0.2%	0.2%	0.2%	
	19:30	US	Initial Jobless Claims	Oct-07	243k	255k	260k	258k
	19:30	US	Continuing Claims	Sep-30	1889k	1930k	--	1921k
	19:30	US	PPI Final Demand YoY	Sep	2.6%	2.6%	2.4%	
	19:30	US	PPI Ex Food and Energy YoY	Sep	2.2%	2.0%	2.0%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	Sep	2.1%	--	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	-2747k	-2400k	-6023k	
	22:00	US	DOE Cushing OK Crude Inventory	Oct-06	1322k	--	1525k	
	22:00	US	DOE U.S. Gasoline Inventories	Oct-06	2490k	200k	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	57.5	--	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 average scaled its loftiest peak in more than two decades on Thursday, hoisted by records on Wall Street and underpinned by media forecasts that the ruling party bloc was headed for a win in elections later this month. The Nikkei ended up 0.4 percent at 20,954.72, after earlier rising as high as 20,994.40, its highest since December, 1996. The broader Topix was 0.2 percent higher at 1,700.13, after touching 1,703.67, its highest since July 2007. Major stock indexes on Wall Street on Wednesday finished at record closing highs, bolstered by a report that a market-friendly candidate was being pushed as successor to Federal Reserve Chairman Janet Yellen. Also aiding sentiment, media forecasts showed Prime Minister Shinzo Abe's ruling bloc heading for a surprisingly big win in a snap election on Oct. 22, assuring investors that his "Abenomics" programme of easy monetary policy, fiscal spending and promised structural reforms would continue. Oil prices eased on Thursday as U.S. fuel inventories rose despite efforts by OPEC to cut production and tighten the market. The JPX-Nikkei Index 400 rose 0.2 percent to 15,005.17.

South Korean shares extended gains to a new record high on Thursday as foreign investors piled in on expectations of hardy third-quarter earnings, especially from major tech firms such as Samsung Electronics. The Korea Composite Stock Price Index (KOSPI) ended up 0.7 percent at 2,474.76 points, its highest-ever close. The advance brought its gains so far this week to 3.4 percent. Samsung Electronics' shares erased earlier losses to end up 0.3 percent at 2,740,000 won, a record high. The stock has surged nearly 7 percent so far this week on expectations it will forecast a record quarterly profit on Friday thanks to the strong market for memory chips and a recovery in its mobile device earnings. Offshore investors have been heavy net buyers for three consecutive sessions, adding 243.5 billion won (\$214.94 million) worth to their portfolios on Thursday. They purchased about 1.5 trillion won worth on Tuesday and Wednesday. The

strong inflows, and a softer dollar, helped lift the South Korean won to a near three-week high. The won was quoted at 1,133.2 against the dollar at the conclusion of onshore trade, the strongest since Sept. 25. It was up 0.2 percent from Wednesday's close of 1,135.2.

Hong Kong stocks ended higher on Thursday, tracking the global rally in equities and led higher by financial firms, which tracked gains in mainland peers and helped mitigate losses in energy shares. The Hang Seng index rose 0.2 percent, to 28,459.03 points, while the China Enterprises Index gained 0.8 percent, to 11,500.34 points. Performance across sectors was mixed. Top developer Sunac China Holdings leapt 5 percent, helping property and construction firms end 1 percent higher. Financial stocks added 0.4 percent, with bellwether China Taiping Insurance closing 7.5 percent at a one-month high. But energy firms eased, tracking losses in mainland peers, after Beijing vowed to curb pollution throughout winter. Northern China's Shanxi province, the country's top coal producing region, will aim to cut concentrations of hazardous airborne particles known as PM2.5 by 40 percent over the winter months, the official Xinhua news agency reported. Traders expect Beijing's efforts will curb those firms' output, thus dampening their sales and earnings.

China's major indexes were mixed on Thursday, as gains in financial stocks offset losses in resources firms after Beijing vowed to curb pollution throughout winter. The blue-chip CSI300 index rose 0.3 percent, to 3,912.95 points, while the Shanghai Composite Index shed 0.1 percent to 3,386.10 points. Resources firms continued to weigh, with energy stocks . in particular coal producers, sliding, after the country's top coal producing region vowed to cut concentrations of hazardous airborne particles by 40 percent over the winter months
 (Source Reuters, Research: rizal)

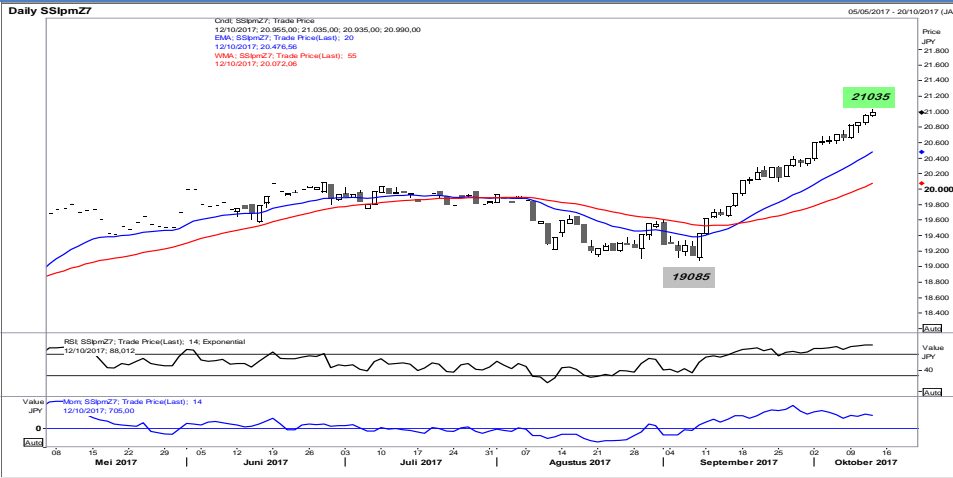
ASIA AND GLOBAL MARKET SPOT PRICE 2017

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
RECORD HIGH	38915.87 (29/Dec/89)	328.11 (12/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	20954.72 (12/Oct/2017)	328.11 (12/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 – 12 October 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	22841.01	↓ 31.88/ 0.14%	.N225	20954.72	↑ 73.45/0.35%
/.SPX	2550.93	↓ 4.31/ 0.169%	.KS200	328.11	↑ 1.99/0.61%
/.IXIC	6591.510	↓ 12.038/ 0.25%	.HSI	28459.03	↑ 69.46/0.24%
JPY=	112.27	↓ 0.17/ 0.15%	/.SSEC	3387.64630	↓ 0.63750/0.02%
KRW=	1131.89	↓ 0.02/ 0.00%	/Clc1 (Oil)	50.74	↓ 0.33/ 0.65%

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 21086
- The RSI enters the overbought area, the trend may reverse
[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
12 Oct SSIpmZ7	20955	21035	20935	100	20975	---	↑25	0.12	21878
12 Oct SSIamZ7	20940	21000	20915	85	20950	20950	↑85	0.41	56451
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

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
21035	20670	21035	20370	20425	19085	21035	18190
(12/Oct)	(09/Oct)	(12/Oct)	(02/Oct)	(27/Sep)	(08/Sep)	(12/Oct)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	21421	Fibo Projections (161.8%)
	21236	Fibo Projections (100.6%)
	21122	Fibo Projections (61.8%)
	21086	Fibo Projections (50.0%)
SUPPORT	20745	Low 10/Oct/2017
	20660	Low 09/Oct/2017
	20575	Low 03/Oct/2017
	20370	Low 02/Oct/2017
RECOMMENDATION	BUY	20960
	SELL	----
	STOP LOSS	20860
	TARGET	21080 21130

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



- Bullish Trend.
- Daily RSI is already in the overbought zone, be alert of a rebound.

[\(Research – rizal\)](#)

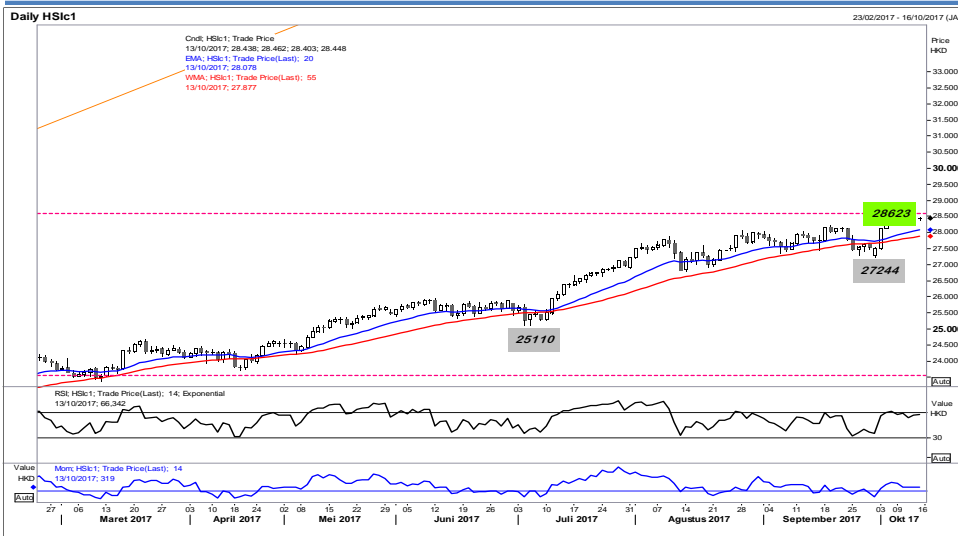
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
12 Oct	326.95	329.10	326.80	2.30	329.00	329.00	↑ 2.40	0.73	234844
11 Oct	324.50	326.90	324.10	2.80	326.60	326.60	↑ 3.10	0.96	203158
10 Oct	322.30	324.85	321.40	3.45	323.50	323.50	↑ 5.85	1.84	233665
09 Oct		H	O	L	I	D	A	Y	
06 Oct		H	O	L	I	D	A	Y	
05 Oct		H	O	L	I	D	A	Y	

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
329.10 (12/Oct)	321.40 (10/Oct)	329.10 (12/Oct)	321.40 (10/Oct)	321.60 (20/Sep)	302.70 (06/Sep)	329.10 (12/Oct)	259.25 (02/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	339.09	Fibo Projections (161.8%)
	334.31	Fibo Projections (100.0%)
	331.36	Fibo Projections (61.8%)
	330.45	Fibo Projections (50.0%)
SUPPORT	324.10	Low 11/Oct/2017
	321.40	Low 10/Oct/2017
	318.15	Low 20/Sep/2017
	314.65	Low 18/Sep/2017
RECOMMENDATION	BUY	328.60
	SELL	----
	STOP LOSS	327.10
	TARGET	330.10 330.60

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
12 Oct	28411	28529	28362	167	28438	28438	↑ 121	0.43	92362
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

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	30094	High 07/Des/2007
	29248	High 10/Des/2007
	28822	High 12/Des/2007
	28623	High 06/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	28400
	SELL	----
	STOP LOSS	28250
	TARGET	28550 28600

CURRENCIES – *Daily Outlook*

Dollar steadies ahead of Friday's U.S. inflation data - Reuters News



The dollar was poised to narrowly ward off a fifth straight day of losses against a basket of currencies on Thursday, as investors looked ahead to inflation data on Friday that may provide more clues on the next U.S. interest rate hike.

The dollar index, which tracks the greenback against six major currencies, was up 0.06 percent at 93.074. A close in the red would have marked its longest streak of losses in four months.

"The move in the dollar index this week is primarily a correction to the big move that we had in September," said Marc Chandler, global head of currency strategy at Brown Brothers Harriman.

"It's largely corrective as the market awaits fresh signals."

The index, which logged its first monthly gain in seven months in September, rose to more than a 10-week high last week, after U.S. wage data for September was seen as a sign that inflation might come off a recent period of weakness.

Traders will now focus on U.S. consumer price data due on Friday. The minutes from the last Federal Reserve meeting showed many policymakers still felt another rate increase this year "was likely to be warranted," but several said additional tightening depended on upcoming inflation data.

The Fed has raised rates twice this year.

Financial markets are pricing a roughly 88 percent probability of a rate hike in December, according to CME Group's FedWatch tool.

On Thursday, the greenback found some support after the Labor Department said its producer price index for final demand increased 0.4 percent last month after rising 0.2 percent in August.

Separately, data showed applications for unemployment benefits dropped to a more than one-month low last week as the boost to claims in Texas and Florida from Hurricanes Harvey and Irma continued to unwind.

Given the storms, "I would take some of the numbers that are coming out this month with a grain of salt, knowing that there is some opaqueness in what's going on," said Minh Trang, senior currency trader at Silicon Valley Bank in Santa Clara, California.

Meanwhile, sterling jumped by more than a cent to reach an eight-day high against the dollar, with analysts citing a report in Germany's Handelsblatt newspaper that the European Union could offer Britain a two-year transitional Brexit deal.

The pound had earlier tumbled after the EU's chief Brexit negotiator, Michel Barnier, told reporters that talks around Britain's divorce payment had become deadlocked.

Sterling was up 0.31 percent at \$1.3262. *(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 flat
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 12	1.18593	1.18785	1.18258	52,7	1.18261	↓ 31,4	1.18575
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

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.18785 (12/Oct)	1.17183 (09/Oct)	1.18785 (12/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	1.1820
	SELL	-----
	STOP LOSS	1.1755
	TARGET	1.1890 1.1920

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 12	112.495	112.511	112.114	39,7	112.270	↓ 19,6	112.466
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

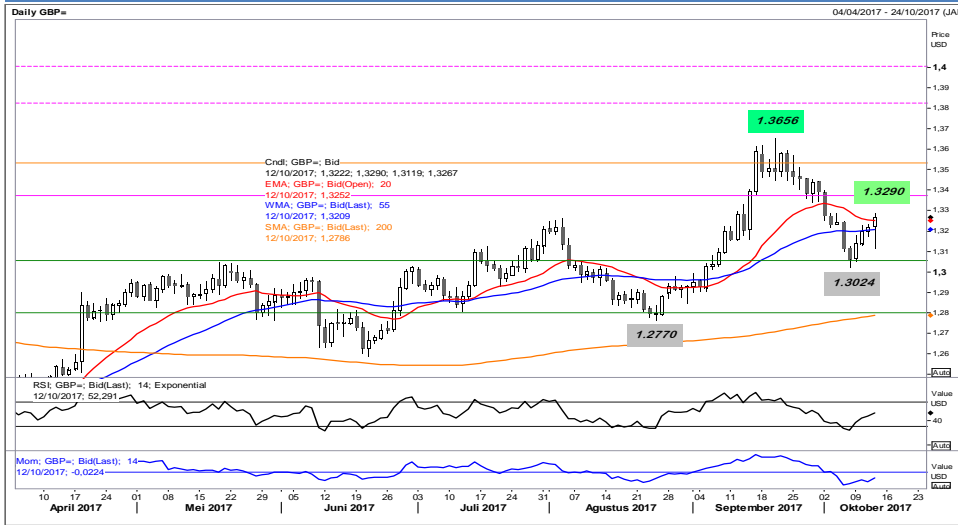
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
112.734 (09/Oct)	111.976 (10/Oct)	113.427 (03/Oct)	111.976 (10/Oct)	113.245 (27/Sep)	107.307 (08/Sep)	118.60 (03/Jan)	107.307 (08/Sep)

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 12	1.32217	1.32895	1.31204	169,1	1.32569	↑ 38,9	1.32180
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

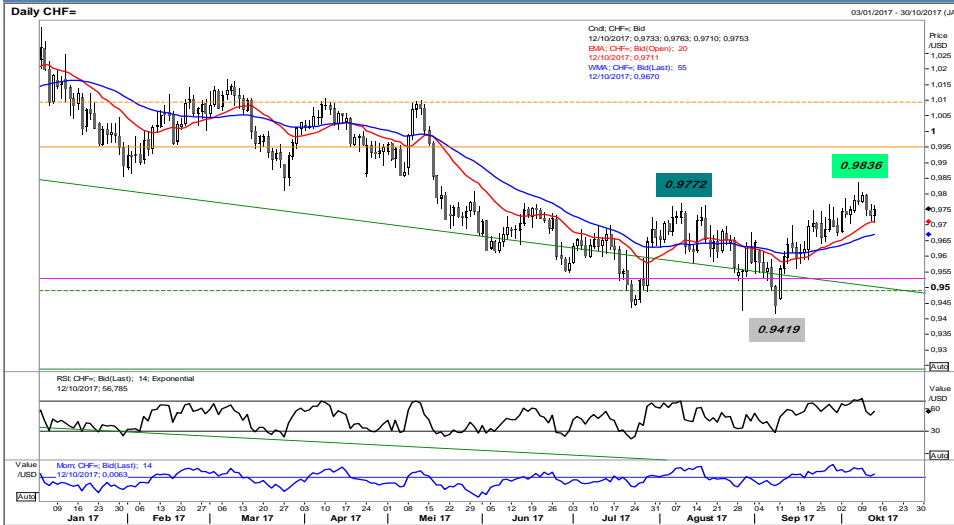
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.32247 (10/Oct)	1.30739 (09/Oct)	1.33969 (02/Oct)	1.30259 (06/Oct)	1.36565 (20/Sep)	1.29043 (01/Sep)	1.36565 (20/Sep)	1.1986 (16/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3656	High 20/Sep/2017
	1.3595	High 22/Sep/2017
	1.3455	Reaction high Sept 28 (Daily)
	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 12	0.97325	0.97625	0.97106	51,9	0.97526	↑ 22,0	0.97306
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

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 12	0.77871	0.78346	0.77870	47,6	0.78141	↑ 27,8	0.77863
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

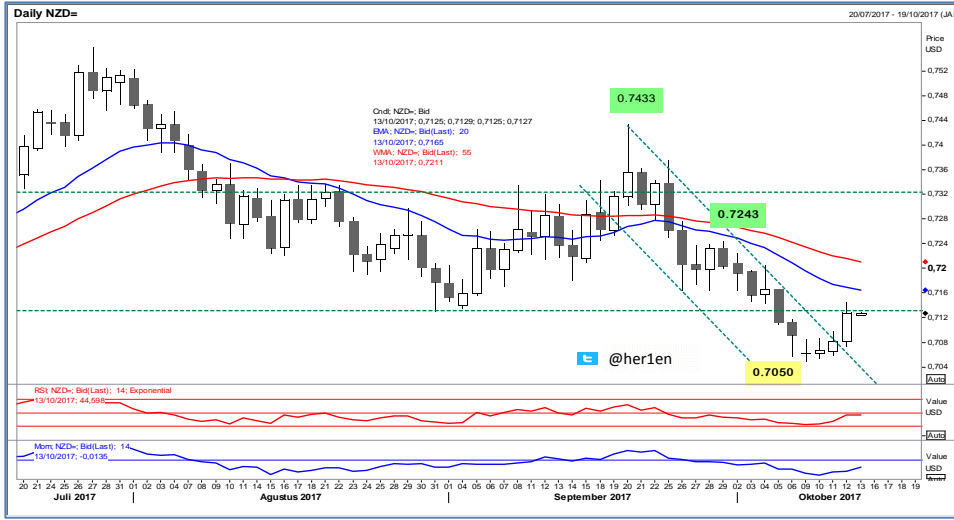
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.78346 (12/Oct)	0.77464 (09/Oct)	0.78738 (04/Oct)	0.77318 (06/Oct)	0.81239 (08/Sep)	0.77984 (28/Sep)	0.81239 (08/Sep)	0.7182 (03/Jan)

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	0.7800
	SELL	-----
	STOP LOSS	0.7735
	TARGET	0.7870 0.7900

NZD/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 12	0.70869	0.71447	0.70852	59,5	0.71305	↑ 47,1	0.70834
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

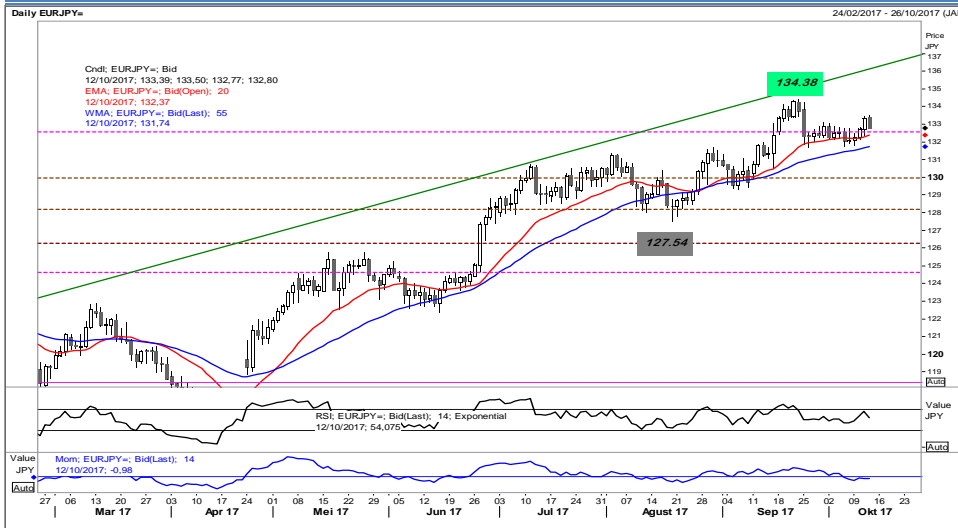
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.71447 (12/Oct)	0.70545 (10/Oct)	0.72248 (02/Oct)	0.70545 (10/Oct)	0.74323 (20/Sep)	0.71446 (01/Sep)	0.75570 (27/Jul)	0.68166 (11/May)

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	0.7105
	SELL	-----
	STOP LOSS	0.7040
	TARGET	0.7175 0.7205

EUR/JPY

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 12	133.415	133.459	132.739	72,0	132.783	↓ 60,2	133.385
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

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	131.72	Low 26/Sep/2017
	130.59	Low 15/Sep/2017
	129.34	Low 06/Sep/2017
	128.31	Low 22/Aug/2017
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
	1.2558	Reaction High 09/Oct/2017 (Daily)
SUPPORT	1.2412	Low 29/Sep/2017
	1.2326	Low 26/Sep/2017
	1.2251	Reaction Low 22/Sep/2017 (Daily)
	1.2198	Reaction Low 20/Sep/2017 (Daily)
RECOMMENDATION	BUY	----
	SELL	1.2480
	STOP LOSS	1.2550
	TARGET	1.2420– 1.2380

Precious Metal – *Daily Outlook*

Gold climbs to 2-week high ahead of U.S. inflation data - Reuters News



Gold prices edged higher to a more than two-week high on Thursday as focus shifted to U.S inflation figures due on Friday which are expected to give more clues on monetary policy.

Minutes from a U.S. Federal Reserve September meeting showed policymakers had a prolonged debate about prospects of a pick-up in inflation and slowing the path of future interest rate rises if it did not.

The dollar inched up after U.S. data showed new applications for U.S. unemployment benefits last week fell to a more than one-month low after being boosted by two hurricanes.

But the greenback still languished near two-week lows against a basket of currencies, weighed down by the U.S. Fed minutes which the market interpreted as dovish. After four straight sessions of gains, spot gold steadied at \$1,293.40 an ounce by 3:30 p.m. EDT (1930 GMT). Prices earlier hit \$1,297.40, the highest since Sept. 26. U.S. gold futures settled higher at \$1,296.50 per ounce.

"The market is looking for a little direction and there's not much on the horizon until we get more geopolitical conflict or we see interest rates pick up," said Rob Haworth, senior investment strategist at U.S. Bank Wealth Management.

A strong corporate earnings season could also give the Fed room to continue raising rates, which would be a headwind for gold, Haworth said.

Gold is highly sensitive to rising interest rates, as they tend to boost the dollar, in which the metal is priced.

Several policymakers said they would focus on upcoming inflation data over the next few months when deciding on the central bank's future rate hike path.

"Overall, for the rest of 2017 we are not bullish on prices, especially with a rate hike still expected this year, and we are looking more towards 2018 for strength," RBC Capital Markets said in a note.

U.S. President Donald Trump is "some time away" from making a decision about who should chair the Federal Reserve, White House chief of staff John Kelly said on Thursday.

Political uncertainty also helped to support gold, which investors turn to during periods of turmoil, analysts said.

"If people are not too worried about the Fed's policy, we have North Korea. Surely, geopolitical tensions are supporting prices," Yuichi Ikemizu, Tokyo branch manager at CIBC Standard Bank, said. "We may try \$1,300 next week."

The upcoming Diwali festival in India could also spur gold buying, analysts said.

Silver rose 0.4 percent to \$17.23 an ounce after touching a three-week high.

Platinum was 0.8 percent higher at \$935.49 an ounce, after hitting a more than two-week high earlier in the session.

Palladium jumped 1.9 percent to \$977.25, its highest since Sept. 6.

Discussions over a possible substitution between platinum group metals in auto catalysts will likely gather pace if the palladium continues to trade at a premium to the platinum, Bank of America Merrill Lynch said in a note earlier this month. [\(Source Reuters, Research – @her1en\)](#)

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 12	1291.700	1297.330	1289.520	7.81	1293.330	↑ 1.78	1291.550	1294.45	1290.25
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

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1297.330 (12/Oct)	1275.120 (09/Oct)	1297.330 (12/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
	1297.40	High Oct 12
SUPPORT	1281.90	Low Oct 10
	1275.01	Low Oct 09
	1267.23	Low Aug 15
	1260.56	Low Aug 09
RECOMMENDATION	BUY	1291.00
	SELL	----
	STOP LOSS	1282.00
	TARGET	1301.00 1306.00

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 12	17.155	17.246	17.099	0.15	17.225	↑ 0.07	17.151
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

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.246	16.781	17.246	16.316	18.199	16.614	18.63	14.334
(12/Oct)	(09/Oct)	(12/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 slips despite larger draw in U.S. stocks - Reuters News



Oil prices rebounded from earlier losses, but ended lower on the day, after the Energy Department reported a larger-than-expected decline in U.S. inventories and a falloff in weekly production on Thursday.

The market was pressured by a bearish outlook by the International Energy Agency, which lowered its forecast for oil demand for 2018.

Oil has strengthened in recent weeks, but it is unclear whether U.S. crude prices will regain the high of nearly \$53 a barrel reached in late September. A surprise build

in gasoline inventories fed concern that crude stocks may begin to rise again, sapping some strength from the recent rally.

Brent crude oil settled down 69 cents, or 1.2 percent, to \$56.25 a barrel while U.S. light crude ended down 70 cents, or 1.4 percent, to \$50.60 a barrel. Both benchmarks have risen more than 20 percent from their lows in June as world oil markets tightened.

Crude inventories fell by 2.7 million barrels in the week to Oct. 6, compared with analysts' expectations for a decrease of 2 million barrels. Distillate stocks fell by 1.5 million barrels, but gasoline inventories surprisingly rose by 2.5 million barrels.

"With the U.S. already out of the summer driving season, there will be less demand for gasoline over the coming weeks - this could result in weeks of crude builds as oil production in the U.S. remains high," said Abhishek Kumar, senior energy analyst at Interfax Energy's Global Gas Analytics in London.

The IEA said demand for OPEC oil would be 32.5 million barrels per day next year - around 150,000 bpd lower than the group pumped last month.

Gary Ross, founder of PIRA Energy and head of Global Oil Analytics for S&P Global Platts, said the global crude surplus has now largely been absorbed - and there was risk that OPEC could overshoot on its cuts.

"We think (Brent) should make a new high before the end of the year," Ross said, speaking to reporters as the annual PIRA client seminar in New York. He said he expects crude to stay between \$50 and \$60 a barrel through the end of the year.

U.S. crude inventories are still 13 percent above five-year averages headed into the busy winter season, despite efforts by OPEC to cut production.

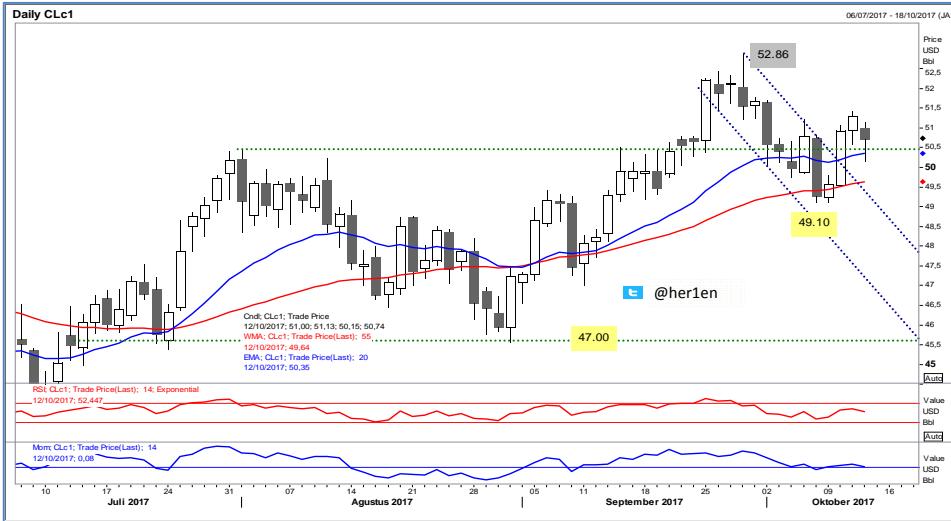
The OPEC-led deal helped lift oil from below \$30 a barrel early last year. But traders say supplies remain ample and OPEC is widely expected to extend its cuts beyond the current expiry date of end-March 2018.

"There is little doubt that leading producers have re-committed to do whatever it takes to underpin the market," the IEA said.

High U.S. production is pushing increasing volumes of U.S. crude into world markets, feeding inventories and undermining OPEC's efforts to tighten the market. U.S. exports fell in the most recent week to 1.27 million bpd, but U.S. exports have still exceeded 1 million barrels a day for three straight weeks, the first time this has happened.

Traders have expressed concerns that the United States will at some point reach its export capacity, though that has not been hit yet. [\(Source Reuters, Research – @her1en\)](#)

CLX7/USD (OIL)
 (Exp.: 20 Oct. 2017 - Reuters)



- Daily RSI is down
 - Correction occurs in daily movement
 - Important resistance at 52.86, support at 47.00.
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 12	50.97	51.11	50.14	0.97	50.72	↓ 0.29	51.01
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

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
51.40	49.12	51.69	49.09	52.84	46.55	55.22	42.04
(11/Oct)	(09/Oct)	(02/Oct)	(06/Oct)	(28/Sep)	(01/Sep)	(03/Jan)	(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	-----
	SELL	50.95
	STOP LOSS	51.95
	TARGET	49.45 48.95