

DAILY MARKET REPORT

GLOBAL MARKETS & ECONOMIES | WEEKLY ECONOMIC INDICATORS | ASIAN STOCK INDICATORS |
CURRENCIES | PRECIOUS METAL | OIL |

GLOBAL MARKETS

- Yields on benchmark 10-year U.S. Treasuries rose on Thursday to their highest level in about seven years, extending this week's bond market selloff and pushing the U.S. dollar to a four-month peak against the yen.

GLOBAL ECONOMIES

- Australia's jobless rate rose to a nine-month high of 5.6 percent in April as more people looked for work, but the number of employed beat expectations as more full-time jobs were added.
- New Zealand's Labour-led government is ramping up spending, including NZ\$3.8 billion (\$2.6 billion) of new capital investment over the next five years, to prolong a golden period of economic prosperity stretching back to 2012.
- The United States and China launch a second round of trade talks on Thursday to try to avert a damaging tariff war, with the Trump administration demanding a \$200 billion cut in China's U.S. trade surplus and greater protections for intellectual property.
- Japan's core machinery orders fell in March for the first time in three months, but manufacturers forecast a rise for April-June, suggesting capital expenditure could hold up despite news that the economy contracted in the first quarter.
- Prime Minister Theresa May said on Thursday Britain would leave the EU customs union after Brexit but a source said London was considering applying the bloc's external tariffs for a period beyond December 2020.
- New applications for U.S. jobless benefits increased more than expected last week, but the number of Americans on unemployment rolls fell to its lowest level since 1973, pointing to diminishing labor market slack.

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GLOBAL MARKETS & ECONOMIES

GLOBAL MARKETS

U.S. & Global Markets – Yields on benchmark 10-year U.S. Treasuries rose on Thursday to their highest level in about seven years, extending this week's bond market selloff and pushing the U.S. dollar to a four-month peak against the yen.

Oil prices topped \$80 a barrel for the first time since November 2014 before pulling back.

Wall Street's main stock indexes slipped, wobbling amid trade jitters as the United States and China hold talks. European stock markets climbed and Britain's FTSE 100 notched a record closing high.

The rising U.S. Treasury yields have been a driver across financial markets this week and come as data shows a strong U.S. economy that could indicate firming inflation

The benchmark 10-year U.S. Treasury note yield rose above 3.1 percent, continuing a surge from earlier in the week.

"I think it's the same thing we have had really for the past couple of weeks: The inflation trade is being put on," said Walter Todd, chief investment officer at Greenwood Capital in Greenwood, South Carolina.

The rise in bond rates, the dollar and oil "is being driven by the same backdrop, which is the U.S. economy is hitting on all cylinders," Todd added.

On Wall Street, the Dow Jones Industrial Average fell 54.95 points, or 0.22 percent, to 24,713.98, the S&P 500 lost 2.33 points, or 0.09 percent, to 2,720.13, and the Nasdaq Composite dropped 15.82 points, or 0.21 percent, to 7,382.47.

The major indexes for the month of May so far are all up more than 2 percent.

The rise in yields "has added a little bit of volatility in markets, no question. But I don't think it would be enough to derail the recent move in stocks," said King Lip, chief investment strategist at Baker Avenue Asset Management in San Francisco.

Shares of retailer Walmart Inc and network gear maker Cisco System Inc fell after both companies reported quarterly results, weighing on indexes. Energy shares rose 1.3 percent on the higher oil prices.

U.S. President Donald Trump said that China and other countries had become "very spoiled" on trade, as U.S. and Chinese officials hold high-level talks in Washington on trade ties.

"I think this trade mess is certainly affecting the mood and uncertainty, and it seems to me the market is negative because this whole trade debate with tariffs," said Jim Bell, president of Bell Investment Advisors in Oakland, California.

Strong oil prices helped Britain's top share index, the FTSE 100, seal its highest ever closing level as it climbed 0.7 percent.

The pan-European FTSEurofirst 300 stock index rose 0.62 percent, while Italy's benchmark index bounced 0.3 percent following heavy losses on Wednesday on concerns that a new government could relax fiscal discipline.

MSCI's gauge of stocks across the globe shed 0.01 percent.

U.S. 10-year Treasury yields rose, extending this week's bond market selloff, as traders and investors have not reached a consensus on whether it was time to buy or if the market was vulnerable to more selling.

Benchmark 10-year notes last fell 5/32 in price to yield 3.1131 percent, from 3.095 percent late on Wednesday.

"The market is trying to figure where the bottom is. At this point, it is not clear," said Mary Ann Hurley, vice president of fixed income with D.A. Davidson in Seattle. ([Source Reuters – @her1en](#))

GLOBAL ECONOMIES

Australia – Australia's jobless rate rose to a nine-month high of 5.6 percent in April as more people looked for work, but the number of employed beat expectations as more full-time jobs were added.

Thursday's figures from the Australian Bureau of Statistics showed the unemployment rate at the highest since last July.

It has remained between 5.4 percent and 5.6 percent for almost a year even as annual job growth accelerates at 2.7 percent, more than one-and-a-half times the U.S. pace of job creation of 1.6 percent.

The participation rate climbed to 65.6 percent in April, near levels seen in early 2011, as more women entered the labour force.

Overall, 22,600 net new jobs were added in April, topping forecasts of 20,000 and a remarkable improvement on the unexpectedly weak results of February and March.

The break-down of April series was encouraging too, with full-time jobs up 32,700 compared with a fall of 25,100 in March.

That led the Aussie dollar higher at \$0.7543, well above a recent 11-month trough of \$0.7413.

The strength of employment has been one of the brightest parts of the economy but the Reserve Bank of Australia (RBA) is awaiting a steady decline in the jobless rate and a revival in wage growth before considering an end to its easy policy.

Interest rates have been on hold at record lows 1.5 percent since August 2016.

"The labour market was always set to cool after a strong 2017," said Sarah Hunter, head of Macroeconomics at BIS Oxford Economics. Employment rose by a brisk 3.4 percent in 2017.

"We expect jobs growth to remain somewhat subdued for the rest of this year at least," Hunter added.

"This will keep a lid on wages growth and price inflation, and will keep the RBA on the sidelines until at least the December quarter 2019."

Data out on Wednesday showed annual wage growth was a feeble 2.1 percent in the March quarter, half the rate enjoyed by workers during the decade-long mining boom that began in the early 2000s.

Plenty of people are still looking for work, keeping wage growth subdued. The underutilisation rate, which includes the unemployed and those who want to work more hours, is close to 14 percent compared to 8 in the United States.

Wage pressures in the United States have not picked up despite the lower underutilisation rate, and many economists say that might be the case in Australia, too.

"We expect the wage growth will remain below 2.5 percent throughout this year and next," said Kate Hickie, Sydney-based economist at Capital Economics.

RBA Governor Philip Lowe recently told lawmakers that average wage annual increases need to be around 3.5 percent to achieve average inflation of 2.5 percent - the midpoint of its long-term target band.

New Zealand – New Zealand's Labour-led government is ramping up spending, including NZ\$3.8 billion (\$2.6 billion) of new capital investment over the next five years, to prolong a golden period of economic prosperity stretching back to 2012.

In its first budget released on Thursday, Jacinda Ardern's centre-left government unveiled billions of dollars in additional funding for housing, health and education, while also pledging to reduce its debt burden as a proportion of gross domestic product.

The balancing act relies, in part, on a lift in GDP growth to a peak of 3.8 percent in 2019, from the current 2.6 percent pace - an ambitious target backed by the extra stimulus.

The government also expects additional tax revenue as migration eases at a slower rate than expected even after Labour campaigned last year to reduce its intake.

Finance Minister Grant Robertson said on Thursday his priority was to rebuild public services, but that it would take time.

"We want to balance these ambitious goals with the fiscal discipline that we owe to future generations," said Robertson, after revealing a forecast operating surplus of NZ\$3.14 billion for the year ending June, up from NZ\$2.54 billion previously forecast.

New Zealand's surplus is forecast to rise to NZ\$7.32 billion at the end of the budget estimates period in 2021-22.

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The Labour-led coalition took the government reins in October after campaigning to make the economy "work for all New Zealanders" as concerns mount over rising inequality even as growth has sped along nicely for more than six years.

Matthew Circosta, an analyst at Moody's Sovereign Risk Group, said in a note on Thursday that a commitment to fiscal prudence provided the economy a buffer from any future shocks.

New Zealand has a triple-A sovereign rating from Moody's and double-A from Standard & Poor's.

While the country's total debt is set to increase, it is forecast to fall as a percentage of GDP to 19.1 percent by 2022, from a projected 20.8 percent of GDP in the current fiscal year.

The New Zealand dollar rose about a quarter of a U.S. cent to \$0.6929 after the budget.

Stuart Ive, Wellington-based trader at OM Financial, said the forecast surpluses were "probably the thing that the market liked the most."

"Apart from that, obviously the rest of it is a bit of a healthcare giveaway."

China – The United States and China launch a second round of trade talks on Thursday to try to avert a damaging tariff war, with the Trump administration demanding a \$200 billion cut in China's U.S. trade surplus and greater protections for intellectual property.

U.S. President Donald Trump has threatened to impose up to \$150 billion in punitive tariffs to combat what he says is Beijing's misappropriation of U.S. technology through joint venture requirements and other policies. Beijing has threatened equal retaliation, including tariffs on some of its largest U.S. imports, including aircraft, soybeans and autos.

At talks in Beijing two weeks ago, both sides presented lengthy lists of demands, agreeing only to keep talking.

The Trump administration sought a \$200 billion reduction in China's \$375 billion U.S. goods trade surplus, an end to joint venture requirements that it says coerce technology transfers from American companies and an end to subsidies for advanced technology industries under the "Made in China" 2025 program.

China demanded that Trump relax crushing restrictions imposed on Chinese telecommunications equipment maker ZTE Corp, and end restrictions on Chinese investments in the United States and sales of high-technology goods to China.

Trump on Sunday wrote on Twitter he would help put ZTE back in business after a Commerce Department ban cut off its supply of U.S. components, forcing it to suspend operations.

In tweets on Wednesday, Trump linked ZTE's situation to a larger trade deal and said that Beijing has "much to give" Washington on trade, denying suggestions his administration was "folding" in negotiations with China.

"Nothing has happened with ZTE except as it pertains to the larger trade deal," Trump wrote on Twitter.

Top White House economic adviser Larry Kudlow told Fox Business Network on Thursday the discussion over ZTE was about re-examining the U.S. penalties, not waiving the enforcement action altogether.

"We have not seen China's demands yet, which should be few in that previous U.S. Administrations have done so poorly in negotiating," Trump wrote. "The U.S. has very little to give, because it has given so much over the years. China has much to give!"

Japan – Japan's core machinery orders fell in March for the first time in three months, but manufacturers forecast a rise for April-June, suggesting capital expenditure could hold up despite news that the economy contracted in the first quarter.

The 3.9 percent fall in core orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months, compared with a 3.0 percent drop seen by economists in a Reuters poll, Cabinet Office data showed on Thursday.

Manufacturers surveyed by the Cabinet Office forecast that core orders will rise 7.1 percent in April-June, after rising 3.3 percent in the previous three months and up for a third straight quarter.

"The upshot is that non-residential investment should remain a key growth driver this year," said Marcel Thieliant, senior Japan economist at Capital Economics.

The machinery orders data follows a gross domestic product (GDP) report out on Wednesday showing that the world's third-largest economy contracted an annualised 0.6 percent in January-March, ending an uninterrupted eight-quarter expansion and suggesting growth may have peaked.

The GDP data also showed capital expenditure declined 0.1 percent in January-March, falling for the first time in six quarters.

While many economists see the economy returning to growth this quarter led by exports, capital expenditure is also expected to be underpinned by factory automation and demand for labour-saving technologies to cope with labour shortages.

"Autonomous recovery in capital expenditure is in place as the Bank of Japan's latest tankan survey suggested. I don't think an uptrend in business investment backed by exports and domestic labour shortages has changed at all," said Takeshi Minami, chief economist at Norinchukin Research Institute.

Still, potential fallout from Sino-U.S. trade frictions and protectionist U.S. policies cloud the outlook for Japan's capital expenditure and export-reliant economy, especially if Japanese products become target of U.S. criticism, Minami said.

The two economic powerhouses - and Japan's major trading partners - have threatened each other with heavy tariffs amid U.S. disapproval of China's trade practices and its treatment of U.S. intellectual property.

The Cabinet Office stuck to its assessment that machinery orders are picking up.

By sector, orders from manufacturers declined 17.5 percent in March, down for the first time in three months, the data showed.

Service-sector orders increased 2.2 percent, up for a third straight month.

Overseas sales of machinery, which are not counted as core orders, fell 7.2 percent in March, down for two months in a row.

Compared with a year earlier, core orders, which exclude those for ships and from electric power utilities, declined 2.4 percent in March, the data showed.

UK – Prime Minister Theresa May said on Thursday Britain would leave the EU customs union after Brexit but a source said London was considering applying the bloc's external tariffs for a period beyond December 2020.

Asked about reports that London would ask to stay in the European Union's customs area beyond the end of a post-Brexit transition period in 2020, May denied she was "climbing down" on plans to leave.

"No. The United Kingdom will be leaving the customs union as we're leaving the European Union. Of course, we will be negotiating future customs arrangements with the European Union and I've set three objectives," May told reporters on the sidelines of an EU summit in the Bulgarian capital Sofia.

She said the objectives were that Britain should have its own trade policy with the rest of the world, should have frictionless trade with the EU and that there be no "hard border" with EU member Ireland.

But the source, familiar with the discussions in London, said aligning Britain with EU import tariffs for an extended period could be part of a backstop arrangement in the event of a delay in the implementation of any Brexit deal.

The source said on condition of anonymity that the government was trying to find a way to make the backstop arrangement with the EU more acceptable to Britain, rather than seeking an extension of a transition period.

May's spokeswoman said negotiations on the backstop arrangement were continuing, and that Britain did not want or expect to have to use it.

May has been struggling to unite her cabinet over the terms of Britain's divorce with the EU, with a row over future customs arrangement dividing her government and all but stalling Brexit negotiations.

EU leaders meeting May in Sofia on Thursday were "in listening mode" and hoping for reassurances from her, said one official, before a formal summit in June when the sides want to mark another milestone in the negotiations.

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That is needed to seal a final divorce deal in October, leaving the EU enough time to ratify it by Brexit day in March 2019.

Britain otherwise risks crashing out of the bloc, a scenario that could hurt the economy and disrupt people's lives.

U.S. – New applications for U.S. jobless benefits increased more than expected last week, but the number of Americans on unemployment rolls fell to its lowest level since 1973, pointing to diminishing labor market slack.

Other data on Thursday showed a pickup in factory activity in the mid-Atlantic region this month, with manufacturers saying they were asking for higher prices for their products. Tightening labor market conditions and firming inflation bolster expectations the Federal Reserve will raise interests rates next month.

Initial claims for state unemployment benefits rose 11,000 to a seasonally adjusted 222,000 for the week ended May 12, the Labor Department said.

Claims data for the prior week was unrevised. Economists polled by Reuters had forecast claims rising to 215,000 in the latest week.

The labor market is viewed as being close to or at full employment, with the jobless rate near a 17-1/2-year low of 3.9 percent. The unemployment rate is within striking distance of the Fed's forecast of 3.8 percent by the end of this year. The U.S. central bank raised rates in March and forecast at least two more hikes for this year.

U.S. Treasury yields were little changed after the data. U.S. stock index futures were trading lower while the dollar was slightly higher against a basket of currencies.

The four-week moving average of initial claims, viewed as a better measure of labor market trends as it irons out week-to-week volatility, fell 2,750 to 213,250 last week, the lowest level since December 1969.

The claims data covered the survey period for the nonfarm payrolls portion of May's employment report.

(Source Reuters, Research – @her1en)

ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/14-May-18	05:30	NZ	Performance Services Index	Apr	55.9	--	58.8	58.6
	06:50	JP	PPI MoM	Apr	0.1%	0.1%	-0.1%	
	06:50	JP	PPI YoY	Apr	2.0%	2.0%	2.1%	
	13:00	JP	Machine Tool Orders YoY	Apr P	22.0%	--	28.1%	
	13:30	EZ	ECB's Villeroy Speaks in Paris					
	13:45	US	Fed's Mester Speaks at Bank of France Conference					
	13:45	EZ	Fed's Mester, ECB's Villeroy Speak in Paris					
	20:40	US	Fed's Bullard Speaks at Crypto Conference in New York					
Tue/15-May-18	06:10	AU	RBA's Debelle Gives Speech in Sydney					
	08:30	AU	RBA May Meeting Minutes					
	08:40	AU	RBA's Debelle Speech to HK Forum Via Video Link					
	09:00	CN	Industrial Production YoY	Apr	7.0%	6.4%	6.0%	
	09:00	CN	Industrial Production YTD YoY	Apr	6.9%	6.7%	6.8%	
	09:00	CN	Retail Sales YoY	Apr	9.4%	10.0%	10.1%	
	09:00	CN	Retail Sales YTD YoY	Apr	9.7%	9.9%	9.8%	
	09:00	CN	Surveyed Jobless Rate	Apr	4.9%	--	5.1%	
	11:30	JP	Tertiary Industry Index MoM	Mar	-0.3%	-0.2%	0.0%	0.1%
	13:00	DE	GDP NSA YoY	1Q P	1.6%	1.7%	2.3%	
	13:00	DE	GDP SA QoQ	1Q P	0.3%	0.4%	0.6%	
	13:00	DE	GDP WDA YoY	1Q P	2.3%	2.4%	2.9%	
	14:15	CH	Producer & Import Prices MoM	Apr	0.4%	0.3%	-0.2%	
	14:15	CH	Producer & Import Prices YoY	Apr	2.7%	--	2.0%	
	15:30	GB	Average Weekly Earnings 3M/YoY	Mar	2.6%	2.6%	2.8%	
	15:30	GB	Claimant Count Rate	Apr	2.5%	--	2.4%	
	15:30	GB	Employment Change 3M/3M	Mar	197k	129k	55k	
	15:30	GB	ILO Unemployment Rate 3Mths	Mar	4.2%	4.2%	4.2%	
	15:30	GB	Jobless Claims Change	Apr	31.2k	7.8k	11.6k	15.7k
	15:30	GB	Weekly Earnings ex Bonus 3M/YoY	Mar	2.9%	2.9%	2.8%	
16:00	EZ	GDP SA QoQ	1Q P	0.4%	0.4%	0.4%		
16:00	EZ	GDP SA YoY	1Q P	2.5%	2.5%	2.5%		
16:00	EZ	Industrial Production SA MoM	Mar	0.5%	0.7%	-0.8%	-0.9%	
16:00	EZ	Industrial Production WDA YoY	Mar	3.0%	3.7%	2.9%	2.6%	
16:00	DE	ZEW Survey Current Situation	May	87.4	85.2	87.9		

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0.0001 AUD/US 0.7683

	16:00	EZ	ZEW Survey Expectations	May	2.4	2.0	1.9	
	16:00	DE	ZEW Survey Expectations	May	-8.2	-8.2	-8.2	
	19:30	US	Empire Manufacturing	May	20.1	15	15.8	
	19:30	US	Retail Sales Advance MoM	Apr	0.3%	0.3%	0.6%	0.8%
	19:30	US	Retail Sales Control Group	Apr	0.4%	0.4%	0.4%	0.5%
	19:30	US	Retail Sales Ex Auto and Gas	Apr	0.3%	0.4%	0.3%	0.4%
	19:30	US	Retail Sales Ex Auto MoM	Apr	0.3%	0.5%	0.2%	0.4%
	20:00	CA	Existing Home Sales MoM	Apr	-2.9%	0.4%	1.3%	
	21:00	US	Business Inventories	Mar	0.0%	0.1%	0.6%	
	21:00	US	NAHB Housing Market Index	May	70	69	69	68
Wed/16-May-18	06:00	KR	Unemployment rate SA	Apr	3.8%	4.1%	4.0%	
	06:50	JP	GDP Annualized SA QoQ	1Q P	-0.6%	-0.1%	1.6%	0.6%
	06:50	JP	GDP Business Spending QoQ	1Q P	-0.1%	0.4%	1.0%	0.6%
	06:50	JP	GDP Deflator YoY	1Q P	0.5%	0.3%	0.1%	0.0%
	06:50	JP	GDP Nominal SA QoQ	1Q P	-0.2%	0.0%	0.3%	0.1%
	06:50	JP	GDP Private Consumption QoQ	1Q P	0.0%	0.0%	0.5%	0.2%
	06:50	JP	GDP SA QoQ	1Q P	-0.2%	0.0%	0.4%	0.1%
	07:30	AU	Westpac Consumer Conf Index	May	101.8	--	102.4	
	07:30	AU	Westpac Consumer Conf SA MoM	May	-0.6%	--	-0.6%	
	07:30	AU	Westpac Leading Index MoM	Apr	-	--	-0.22%	
	08:30	AU	Wage Price Index QoQ	1Q	0.5%	0.6%	0.6%	0.5%
	08:30	AU	Wage Price Index YoY	1Q	2.1%	2.1%	2.1%	
	11:30	JP	Capacity Utilization MoM	Mar	0.5%	--	1.3%	3.3%
	11:30	JP	Industrial Production MoM	Mar F	1.4%	1.2%	1.2%	
	11:30	JP	Industrial Production YoY	Mar F	2.4%	--	2.2%	
	13:00	DE	CPI EU Harmonized MoM	Apr F	-0.1%	-0.1%	-0.1%	0.4%
	13:00	DE	CPI EU Harmonized YoY	Apr F	1.4%	1.4%	1.4%	1.5%
	13:00	DE	CPI MoM	Apr F	0.0%	0.0%	0.0%	
	13:00	DE	CPI YoY	Apr F	1.6%	1.6%	1.6%	
	16:00	EZ	CPI Core YoY	Apr F	0.7%	0.7%	0.7%	
	16:00	EZ	CPI MoM	Apr	0.3%	0.3%	1.0%	
	16:00	EZ	CPI YoY	Apr F	1.2%	1.2%	1.3%	
	19:30	US	Building Permits	Apr	1352k	1350k	1354k	1377k
	19:30	US	Building Permits MoM	Apr	-1.8%	-2.1%	2.5%	4.1%
	19:30	US	Fed's Bostic to Give Economic Update					
	19:30	US	Housing Starts	Apr	1287k	1310k	1319k	1336k
	19:30	US	Housing Starts MoM	Apr	-3.7%	-0.7%	1.9%	3.6%
	19:30	CA	Manufacturing Sales MoM	Mar	1.4%	0.9%	1.9%	2.7%
	19:30	US	Revisions: Housing Starts					
	20:15	US	Capacity Utilization	Apr	78.0%	78.4%	78.0%	77.6%
	20:15	US	Industrial Production MoM	Apr	0.7%	0.6%	0.5%	0.7%
	20:15	US	Manufacturing (SIC) Production	Apr	0.5%	0.5%	0.1%	
	21:30	US	DOE Cushing OK Crude Inventory	May-11	53k	--	1388k	
	21:30	US	DOE U.S. Crude Oil Inventories	May-11	-1404k	-2000k	-2197k	
	21:30	US	DOE U.S. Distillate Inventory	May-11	-92k	-1950k	-3791k	
	21:30	US	DOE U.S. Gasoline Inventories	May-11	-3790k	-1436k	-2174k	
	23:15	CA	Bank of Canada's Schembri Speaks at the OEA					
Thu/17-May-18	05:45	NZ	PPI Input QoQ	1Q	0.6%	0.3%	0.9%	
	05:45	NZ	PPI Output QoQ	1Q	0.2%	0.2%	1.0%	
	06:50	JP	Core Machine Orders MoM	Mar	-3.9%	-3.0%	2.1%	
	06:50	JP	Core Machine Orders YoY	Mar	-2.4%	0.3%	2.4%	
	08:30	AU	Employment Change	Apr	22.6k	20.0k	4.9k	-0.7k
	08:30	AU	Full Time Employment Change	Apr	32.7k	--	-19.9k	-25.1k
	08:30	AU	Part Time Employment Change	Apr	-10.0k	--	24.8k	24.4k
	08:30	AU	Participation Rate	Apr	65.6%	65.5%	65.5%	
	08:30	AU	Unemployment Rate	Apr	5.6%	5.5%	5.5%	
	N/A	HK	Composite Interest Rate	Apr	-	--	0.38%	
	15:30	HK	Unemployment Rate SA	Apr	-	--	2.9%	
	16:00	EZ	Construction Output MoM	Mar	-0.3%	--	-0.5%	
	16:00	EZ	Construction Output YoY	Mar	0.8%	--	0.4%	
	19:30	CA	ADP Publishes April Payrolls Report					
	19:30	US	Continuing Claims	May-05	1707k	1780k	1790k	1794k
	19:30	US	Initial Jobless Claims	May-12	222k	215k	211k	
	19:30	US	Philadelphia Fed Business Outlook	May	34.4	21	23.2	
	21:00	US	Leading Index	Apr	0.4%	0.4%	0.3%	
	21:45	US	Fed's Kashkari Speaks at Moderated Q&A in Minneapolis					
Fri/18-May-18	06:30	JP	Japan Apr CPI					
	06:30	JP	Natl CPI Ex Fresh Food YoY	Apr	--	--	0.9%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Apr	--	--	0.0%	

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Daily Outlook

18-May 18



	06:30	JP	Natl CPI YoY	Apr		--	1.1%	
	13:00	DE	PPI MoM	Apr		--	0.1%	
	13:00	DE	PPI YoY	Apr		--	1.9%	
	15:00	EZ	Current Account NSA	Mar		--	22.7b	
	15:00	EZ	ECB Current Account SA	Mar		--	35.1b	
	16:00	EZ	Trade Balance NSA	Mar		--	18.9b	
	16:00	EZ	Trade Balance SA	Mar		--	21.0b	
	19:30	CA	Consumer Price Index	Apr		--	132.9	
	19:30	CA	CPI Core- Common YoY%	Apr		--	1.9%	
	19:30	CA	CPI Core- Median YoY%	Apr		--	2.1%	
	19:30	CA	CPI Core- Trim YoY%	Apr		--	2.0%	
	19:30	CA	CPI NSA MoM	Apr		--	0.3%	
	19:30	CA	CPI YoY	Apr		--	2.3%	
	19:30	CA	Retail Sales Ex Auto MoM	Mar		--	0.0%	
	19:30	CA	Retail Sales MoM	Mar		--	0.4%	
Sat/19-May-18	00:00	US	Baker Hughes U.S. Rig Count	May-18		--	1045	

(Source: Bloomberg-Reuters-Forexfactory-DailyFX-Tradingeconomics-FXStreet, Research: @LukmanLoeng,@her1en,rizal)

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ASIAN STOCK INDEX

Japan's Nikkei share average rose on Thursday after Wall Street gained overnight, with financial stocks rallying on an increase in U.S. bond yields while tech shares attracted buyers after the yen weakened.

The Nikkei ended 0.5 percent higher at 22,838.37.

Wall Street indexes ended higher as small-cap stocks surged, even as a rise in U.S. bond yields to near their highest in seven years suggested more competition for equities and investors fretted over global politics.

Japanese banks and insurers, which invest in higher-yielding products such as foreign bonds, rallied. Mitsubishi UFJ Financial Group and Sumitomo Mitsui Financial Group soared 1.2 percent and 1.4 percent, respectively, while T&D Holdings surged 2.1 percent.

Yields on 10-year U.S. Treasuries hit 3.10 percent on Wednesday for the first time since July 2011.

The weaker yen supported big exporters such as tech companies. Advantest Corp gained 1.6 percent, Kyocera Corp added 1.3 percent and Sumco advanced 2.2 percent.

The broader Topix gained 0.5 percent to 1,808.37.

South Korea's KOSPI stock index and currency weakened on Thursday on foreign selling after the government said it will disclose details of market-intervening actions taken by currency authorities. Lingering doubts about a summit between the United States and North Korea also weighed on sentiment. Local bond yields dropped.

At 0634 GMT, the KOSPI was down 11.37 points or 0.46 percent at 2,448.45. Samsung Biologics fell 3.9 percent on alleged accounting fraud, while Samsung Electronics declined 1 percent.

The won was quoted at 1,081.2 per dollar on the onshore settlement platform, 0.33 percent weaker than its previous close at 1,077.6.

In offshore trading, the won was quoted at 1,080.23 per U.S. dollar, down 0.29 percent from the previous day, while in one-year non-deliverable forwards it was being transacted at 1,063.7 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.19 percent, after U.S. stocks ended the previous session with mild gains. Japanese stocks rose 0.53 percent.

The KOSPI slipped around 0.3 percent so far this year, and climbed 0.64 percent in the previous 30 days.

The current price-to-earnings ratio is 12.10, the dividend yield is 1.28 percent and the market capitalisation is 1,242.04 trillion won.

The U.S. dollar has risen 1.3 percent against the won this year. The won's high for the year is 1,053.55 per dollar on April 2, 2018, and low is 1,098.4 on Feb. 6 this year.

In money and debt markets, June futures on three-year treasury bonds rose 0.06 points to 107.61.

The Korean 3-month Certificate of Deposit benchmark rate was quoted at 1.65 percent compared with a previous close of 1.65 percent, while the benchmark 3-year Korean treasury bond yielded 2.264 percent, lower than the previous day's 2.29 percent.

Hong Kong's benchmark stock index fell on Thursday, despite a jump in index heavyweight Tencent Holdings, as U.S. and China resumed trade talks in Washington.

The Hang Seng index fell 0.5 percent, to 30,942.15, while the China Enterprises Index lost 1.3 percent, to 12,278.43 points.

Investors turned cautious as the United States and China resumed trade talks on Thursday in a bid to avert a damaging tariff war, with the White House's harshest China critic relegated to a supporting role, senior Trump administration officials said on Wednesday.

The sub-index of the Hang Seng, tracking energy shares, dipped 0.9 percent while the IT sector rose 2.95 percent, the financial sector was 1.26 percent lower and property sector dipped 0.97 percent.

The top gainer on Hang Seng was Tencent Holdings Ltd, up 3.74 percent, while the biggest loser was WH Group Ltd, down 2.15 percent.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 0.32 percent while Japan's Nikkei index closed up 0.53 percent.

The yuan was quoted at 6.368 per U.S. dollar at 08:39 GMT, 0.04 percent firmer than the previous close of 6.3705.

As of the previous trading session, the Hang Seng index was up 3.98 percent this year, while China's H-share index was up 6.2 percent. As of the previous close, the Hang Seng has risen 0.98 percent this month.

China stocks fell on Thursday as investors turned cautious amid trade talks between China and U.S. in Washington.

The blue-chip CSI300 index fell 0.7 percent, to 3,864.05 while the Shanghai Composite Index lost 0.5 percent to 3,154.28 points.

The United States and China will launch trade talks on Thursday in a bid to avert a damaging tariff war, with the White House's harshest China critic relegated to a supporting role, senior Trump administration officials said on Wednesday.

The CSI300 financial sub-index was lower by 0.53 percent and the consumer staples sector was down 1.33 percent while the real estate index dropped 0.57 percent. Healthcare sub-index fell 1.2 percent.

The smaller Shenzhen index ended down 0.52 percent and the start-up board ChiNext Composite index was weaker by 0.84 percent.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 0.22 percent while Japan's Nikkei index closed up 0.53 percent.

At 07:08 GMT, the yuan was quoted at 6.363 per U.S. dollar, 0.12 percent firmer than the previous close of 6.3705.

So far this year, the Shanghai stock index is down 4.6 percent while the CSI300 has fallen 4.1 percent. China's H-share index listed in Hong Kong is up 5 percent. Shanghai stocks have risen 2.34 percent this month.

About 11.40 billion shares were traded on the Shanghai exchange, roughly 79.5 percent of the market's 30-day moving average of 14.34 billion shares a day. The volume in the previous trading session was 13.05 billion.

As of 07:08 GMT, China's A-shares were trading at a premium of 20.73 percent over the Hong Kong-listed H-shares.

[\(Source: Reuters, Research: Rizal\)](#)

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ASIA AND GLOBAL MARKET SPOT PRICE 2018

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
RECORD HIGH	38915.87 (29/Dec/89)	339.59 (02/Nov/2017)	33154.12 (26/Jan/2018)	26616.71 (26/Jan/2018)	2872.62 (26/Jan/2018)	6124.04400 (16/Oct./07)
2017 HIGH	23439.15 (13/Nov/2017)	339.59 (02/Nov/2017)	30199.69 (22/Nov/2017)	24876.07 (18/Dec/2017)	2694.97 (18/Dec/2017)	3450.49490 (14/Nov/2017)
2018 HIGH	24129.34 (23/Jan/2018)	338.05 (29/Jan/2018)	33154.12 (26/Jan/2018)	26616.71 (26/Jan/2018)	2872.62 (26/Jan/2018)	3587.50890 (29/Jan/2018)
2018 LOW	20617.86 (23/Mar/2018)	304.58 (05/Mar/2018)	29129.26 (09/Feb/2018)	23360.29 (08/Feb/2018)	2532.69 (08/Feb/2018)	3062.74260 (08/Feb/2018)
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)
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 – 17 May 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	24713.98	↓ 54.95/0.22%	.N225	22838.37	↑ 121.14/0.53%
/.SPX	2720.13	↓ 2.33/0.08%	.KS200	314.29	↓ 1.68/0.53%
/.IXIC	7382.473	↓ 15.822/0.21%	.HSI	30942.15	↓ 168.05/0.54%
JPY=	110.76	↑ 0.38/0.34%	/.SSEC	3154.23650	↓ 15.32870/0.48%
KRW=	1081.81	↑ 5.02/0.47%	/CLc1 (Oil)	71.59	↑ 0.05/0.07%

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SSIamM8 (Nikkei Jun Futures) – Last Trading Date: 07 Jun 2018



- RSI 14 is near the overbought zone
 - Daily daily corrections
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
17 May SSIpmM8	22830	22955	22820	135	22885	---	↑ 45	0.20	14576
17 May SSIamM8	22800	22880	22790	90	22840	22840	↑ 100	0.44	34823
16 May SSIpmM8	22740	22820	22705	115	22820	---	↑ 80	0.35	11527
16 May SSIamM8	22705	22790	22695	95	22740	22740	↓ 75	0.33	34970
15 May SSIpmM8	22815	22830	22720	110	22755	---	↓ 60	0.26	21446
15 May SSIamM8	22875	22910	22800	110	22815	22815	↓ 40	0.18	32006
14 May SSIpmM8	22870	22890	22835	55	22880	---	↑ 25	0.11	9594
14 May SSIamM8	22735	22890	22735	155	22855	22855	↑ 145	0.64	32049
11 May SSIpmM8	22700	22725	22670	55	22695	---	↓ 15	0.07	13806
11 May SSIamM8	22530	22780	22510	270	22710	22710	↑ 230	1.02	51173

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
22955	22695	22955	22085	22640	20920	24170	20130
(17/May)	(16/May)	(17/May)	(03/May)	(30/Apr)	(02/Apr)	(23/Jan)	(23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	23485	High Feb 02,2018
	23275	High on 1 Hourly Chart
	23140	High on 1 Hourly Chart
	23065	High on 1 Hourly Chart
SUPPORT	22670	Low May 14,2018
	22570	Low on 1 Hourly Chart
	22405	Low May 10,2018
	22295	Low on 1 Hourly Chart
RECOMMENDATION	BUY	22855
	SELL	----
	STOP LOSS	22705
	TARGET	23055 23155

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KSM8 (Kospi Jun Futures) – Exp. Date: 07 Jun 2018



- Daily daily corrections
- RSI 14 is near the oversold zone

[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
17 May	317.35	318.15	314.55	3.60	314.55	314.55	↓ 1.50	0.47	146279
16 May	313.90	316.95	313.65	3.30	316.05	316.05	↑ 1.15	0.37	161004
15 May	317.50	318.50	314.70	3.80	314.90	314.90	↓ 3.10	0.97	140499
14 May	319.25	319.75	317.50	2.25	318.00	318.00	↓ 0.80	0.25	117739
11 May	318.50	319.95	318.00	1.95	318.80	318.80	↑ 1.80	0.57	146508
10 May	316.35	317.30	315.45	1.85	317.00	317.00	↑ 1.80	0.57	190338

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
319.75 (14/May)	313.65 (16/May)	322.80 (02/May)	312.80 (09/May)	323.45 (30/Apr)	308.70 (04/Apr)	340.30 (29/Jan)	302.10 (09/Feb)

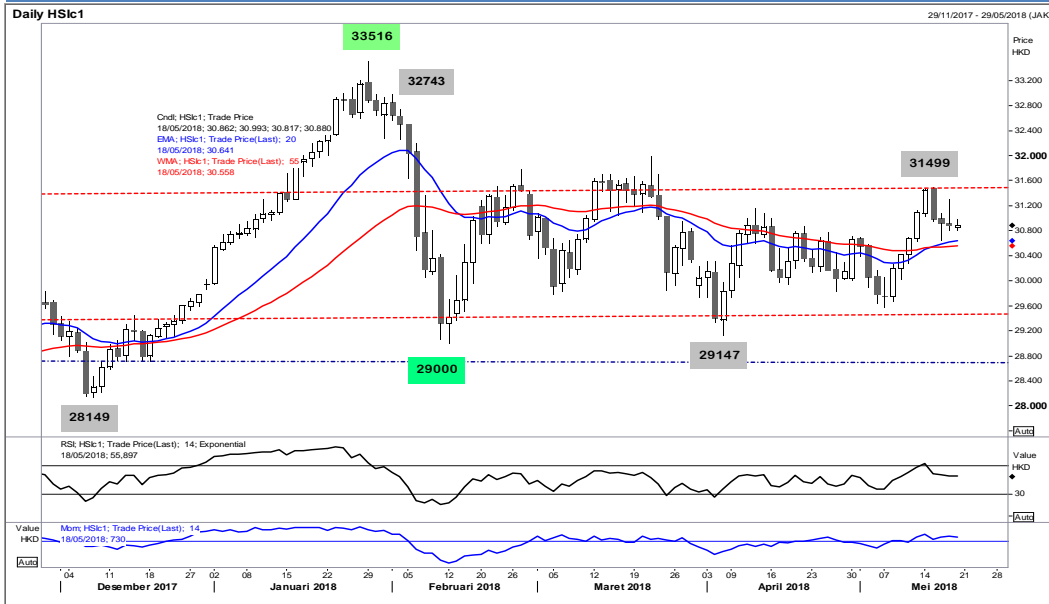
ANALYSIS & RECOMMENDATION

RESISTANCE	320.15	High May 04,2018
	319.30	High May 08,2018
	317.30	High May 10,2018
	315.80	High on 1 Hourly Chart
SUPPORT	313.85	Low Apr 13,2018
	312.85	Low Apr 12,2018
	310.30	Low Apr 10,2018
	308.70	Low Apr 04,2018
RECOMMENDATION	BUY	----
	SELL	314.85
	STOP LOSS	316.35
	TARGET	312.85
		311.85

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HSIK8 (Hang Seng May Futures) – Exp. Date: 30 May 2018



- Correction in daily
- RSI approach oversold area, be alert of trend change
- Potentially open Gap up. [\(Research – riza\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
17 May	31005	31057	30820	237	30880	30880	↓ 54	0.17	202798
16 May	30677	31085	30673	412	30934	30934	↓ 56	0.18	226146
15 May	31182	31220	30958	262	30990	30990	↓ 466	1.48	182405
14 May	31455	31470	31310	160	31456	31456	↑ 362	1.16	186051
11 May	30938	31143	30928	215	31094	31094	↑ 414	1.35	210596
10 May	30630	30700	30554	146	30680	30680	↑ 262	0.86	201509
09 May	30194	30420	30255	165	30418	30418	↑ 216	0.72	226974

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
31470	30673	31470	29644	31151	29343	33516	29070
(14/May)	(16/May)	(14/May)	(04/May)	(12/Apr)	(04/Apr)	(29/Jan)	(09/Feb)

ANALYSIS & RECOMMENDATION		
RESISTANCE	31704	High Mar 22,2018
	31561	High on 1 Hourly Chart
	31363	High on 1 Hourly Chart
	31057	High on 1 Hourly Chart
SUPPORT	30763	Low on 1 Hourly Chart
	30680	Low on 1 Hourly Chart
	30554	Reactions Low on 1 Hourly Chart
	30373	Low on 1 Hourly Chart
RECOMMENDATION	BUY	----
	SELL	30910
	STOP LOSS	31060
	TARGET	30710 30610

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CURRENCIES – Daily Outlook

Dollar hits 4-month high vs yen as U.S. Treasury yields rise - Reuters News



The dollar climbed to a four-month peak against the yen on Thursday, bolstered by the rise in U.S. Treasury yields that suggests a more upbeat outlook for the world's largest economy.

U.S. benchmark 10-year yields hit a high of 3.122 percent on Thursday, the highest in nearly seven years. Since the beginning of the year, U.S. 10-year yields have increased by more than 50 basis points, on track for their largest rise in eight years. "The upside pressure on the dollar has been dramatic as the dollar has not declined consistently in a period which should be seeing dollar weakness," John Taylor, president and

founder of research firm Taylor Global Vision in New York, said.

Rising yields reflect continued optimism about the U.S. economy, reinforcing expectations that the Federal Reserve would raise borrowing rates at least two more times this year.

The dollar rose to its strongest level versus the Japanese yen since Jan. 23 at 110.80 yen. It was last at 110.74, up 0.3 percent on the day.

The dollar index rose 0.1 percent to 93.462, below its 2018 high of 93.632.

The euro, meanwhile, fell to nearly a five-month low against the dollar on concerns about the demands of populist parties likely to form Italy's next government.

Italy's anti-establishment 5-Star Movement and the anti-immigrant League, which are working to draft a coalition program, may ask the European Central Bank to forgive 250 billion euros of debt.

But broader Italian markets held up better on Thursday as investors played down the broader impact on euro zone political stability and questioned whether the Italian parties would really follow through on such plans.

The euro slipped to \$1.1798, just above the \$1.1763 2018 low it hit on Wednesday.

The euro has slumped six cents from more than \$1.24 in three weeks after a huge dollar rally. Investors are betting U.S. interest rates will need to rise further, while other central banks are postponing monetary tightening.

That has forced investors who took big positions against the dollar anticipating a fall in 2018 to unwind and cover their positions, pushing the greenback even higher.

"This sense of a market that is not particularly well prepared for a euro decline is supported by the benign valuations still evident in the pricing of six-month and 12-month implied volatility," BNY Mellon analysts said in a note, referring to prices of a measure of expected swings in the value of the euro.

Sterling gave up earlier gains after the British government dismissed a media report that Britain wanted to stay in the European Union's customs union after Brexit. [\(Source Reuters, Research – @her1en\)](#)

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EUR/USD

Interest Rate: 0.00% (EU)/ 1.25%-1.50% (US)



- With the support area at 1.1552
- Important resistance around 1.2032

[\[Research - @her1en\]](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 17	1.18104	1.18363	1.17752	61,1	1.17932	↓ 12,8	1.18060
May 16	1.18365	1.18528	1.17620	90,8	1.18060	↓ 31,7	1.18377
May 15	1.19252	1.19372	1.18191	118,1	1.18377	↓ 86,7	1.19244
May 14	1.19462	1.19949	1.19247	70,2	1.19244	↓ 19,4	1.19438
May 11	1.19152	1.19667	1.18900	76,7	1.19438	↑ 30,7	1.19131

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.19949 (14/May)	1.17620 (16/May)	1.20829 (01/May)	1.17620 (16/May)	1.24125 (17/Apr)	1.20542 (27/Apr)	1.25542 (16/Feb)	1.17620 (16/May)

ANALYSIS & RECOMMENDATION

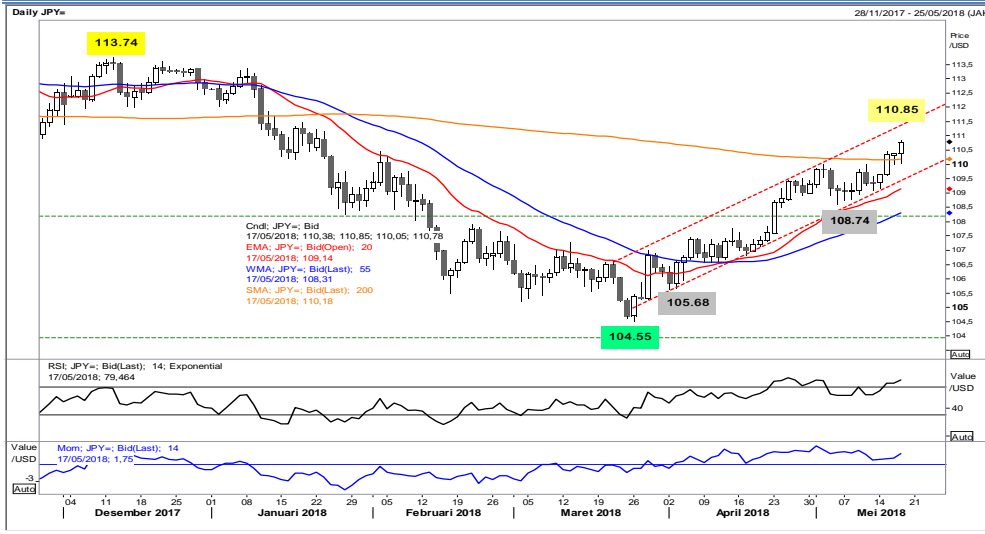
RESISTANCE	1.2209	High Apr 26
	1.2139	High Apr 30
	1.2032	High May 02
	1.1938	High May 15
SUPPORT	1.1736	Low Dec 18, 2017
	1.1658	Low Nov 14, 2017
	1.1552	Low Nov 07, 2017
	1.1477	Low July 20, 2017
RECOMMENDATION	BUY	-----
	SELL	1.1820
	STOP LOSS	1.1895
	TARGET	1.1745 1.1710

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USD/JPY

Interest Rate: 1.50%-1.75% (US)/-0.1% (JP)



- The main resistance at 111.87, support 107.62
 - RSI 14 daily rises
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 17	110.274	110.846	110.061	78,5	110.742	↑ 33,2	110.410
May 16	110.324	110.375	110.028	34,7	110.410	↑ 13,8	110.272
May 15	109.680	110.442	109.648	79,4	110.272	↑ 63,5	109.637
May 14	109.348	109.659	109.196	46,3	109.637	↑ 34,3	109.294
May 11	109.407	109.556	109.141	41,5	109.294	↓ 7,9	109.373

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
110.846	109.196	110.846	108.635	109.525	105.646	113.376	104.623
(17/May)	(14/May)	(17/May)	(04/May)	(27/Apr)	(02/Apr)	(08/Jan)	(23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	113.38	High Jan 08,2018
	112.77	High Jan 10,2018
	111.87	High Jan 11,2018
	111.17	High Jan 23,2018
SUPPORT	110.01	Low May 16,2018
	109.57	Low May 02,2018
	108.78	Low Apr 25, 2018
	107.62	Low Apr 23, 2018
RECOMMENDATION	BUY	110.55
	SELL	----
	STOP LOSS	109.70
	TARGET	111.45
		111.85

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GBP/USD

Interest Rate: 0.50% (GB)/1.50%-1.75% (US)



- Corrections occur daily
 - RSI 14 is in oversold area
 - Be aware of trend changes
- [\(Research -rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 17	1.35121	1.35682	1.34732	95,0	1.35137	↑ 31,2	1.34825
May 16	1.35047	1.35198	1.34547	65,1	1.34825	↓ 20,4	1.35029
May 15	1.35562	1.35707	1.34501	120,6	1.35029	↓ 51,3	1.35542
May 14	1.35453	1.36071	1.35416	65,5	1.35542	↑ 12,5	1.35417
May 11	1.35152	1.35945	1.35009	93,6	1.35417	↑ 30,4	1.35113

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.36071	1.34501	1.37717	1.34501	1.43754	1.37113	1.43754	1.34501
(14/May)	(15/May)	(01/May)	(15/May)	(17/Apr)	(30/Apr)	(17/Apr)	(15/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3891	High on 1 Hourly Chart
	1.3773	High May 01,2018
	1.3666	High May 02,2018
	1.3595	High May 11,2018
SUPPORT	1.3449	Low May 15,2018
	1.3345	Low Dec 26, 2017
	1.3219	Low Nov 28, 2017
	1.3133	Low Nov 16, 2017
RECOMMENDATION	BUY	1.3490
	SELL	----
	STOP LOSS	1.3400
	TARGET	1.3590
		1.3630

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USD/CHF

Interest Rate: 1.50%-1.75% (US)/-1.25 to -0.25% (CH)



- Daily RSI approach overbought area
- Main resistance 1.0170, support 0.9784

[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 17	1.00036	1.00320	0.99856	46,4	1.00109	↑ 1,7	1.00092
May 16	1.00089	1.00179	0.99832	34,7	1.00092	↓ 1	1.00093
May 15	1.00007	1.00406	0.99822	58,4	1.00093	↑ 5,9	1.00034
May 14	1.00022	1.00043	0.99565	47,8	1.00034	↓ 3,4	1.00068
May 11	1.00248	1.00387	0.99754	63,3	1.00068	↓ 15,6	1.00224

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.00406 (15/May)	0.99565 (14/May)	1.00553 (07/May)	0.99034 (01/May)	0.99199 (30/Apr)	0.95258 (02/Apr)	1.00553 (07/May)	0.91863 (16/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.0248	High Jan 11, 2017
	1.0170	High Mar 07,2017
	1.0107	High Apr 10,2017
	1.0056	High May 07,2018
SUPPORT	0.9953	Reactions Low May 03,2018
	0.9869	Low Apr 30,2018
	0.9815	Low Apr 26,2018
	0.9766	Low Apr 24,2018
RECOMMENDATION	BUY	----
	SELL	1.0030
	STOP LOSS	1.0110
	TARGET	0.9940 0.9900

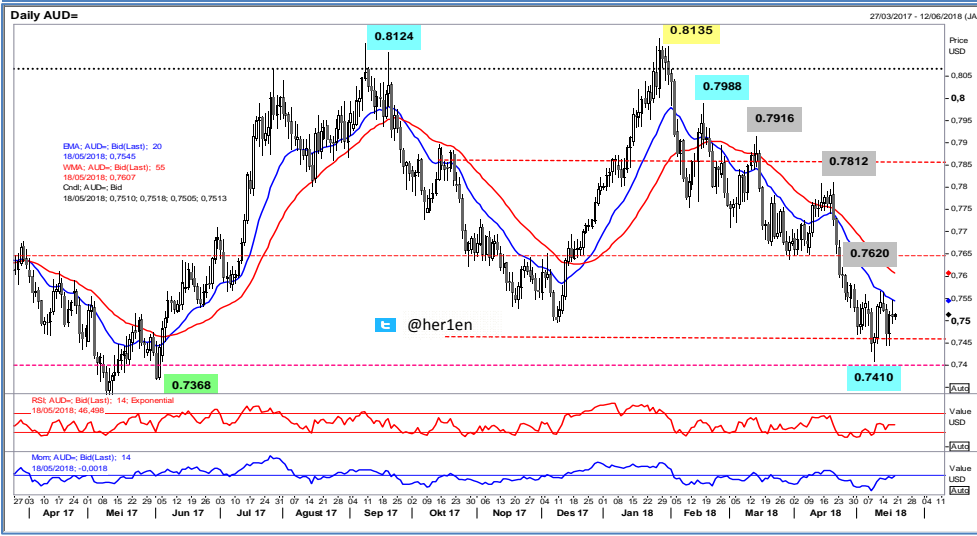
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AUD/USD

Interest Rate: 1.5% (AU) / 1.25%-1.50% (US)



- RSI 14 is flat
- The main resistance at 0.7731, support 0.7266
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 17	0.75163	0.75464	0.74964	50,0	0.75073	↓ 4,9	0.75122
May 16	0.74699	0.75217	0.74460	75,7	0.75122	↑ 45,2	0.74670
May 15	0.75252	0.75364	0.74467	89,7	0.74670	↓ 54,4	0.75214
May 14	0.75446	0.75638	0.75214	42,4	0.75214	↓ 24,3	0.75457
May 11	0.75316	0.75657	0.75214	44,3	0.75457	↑ 14,7	0.75310

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.75638 (14/May)	0.74460 (16/May)	0.75657 (11/May)	0.74112 (09/May)	0.78117 (19/Apr)	0.75241 (30/Apr)	0.81346 (26/Jan)	0.74112 (09/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7812	High Apr 19
	0.7731	High Apr 20
	0.7682	High Apr 23
	0.7620	High Apr 24
SUPPORT	0.7410	Low June 05, 2017
	0.7326	Low May 09, 2017
	0.7266	Low Jan 05, 2017
	0.7152	Low Dec 26, 2016
ECOMMENDATION	BUY	0.7490
	SELL	----
	STOP LOSS	0.7415
	TARGET	0.7565 0.7600

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NZD/USD

Interest Rate: 1.75% (NZ)/1.25%-1.50% (US)



- Correction in daily movement
 - RSI 14 flat
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 17	0.69008	0.69364	0.68714	65,0	0.68740	↓ 17,7	0.68917
May 16	0.68614	0.69159	0.68500	65,9	0.68917	↑ 32,5	0.68592
May 15	0.69153	0.69235	0.68528	70,7	0.68592	↓ 52,1	0.69113
May 14	0.69608	0.69734	0.69100	63,4	0.69113	↓ 57,7	0.69690
May 11	0.69638	0.69859	0.69530	32,9	0.69690	↑ 8,3	0.69607

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.69734	0.68500	0.70516	0.68500	0.73943	0.70321	0.74359	0.68500
(14/May)	(16/May)	(04/May)	(16/May)	(13/Apr)	(30/Apr)	(16/Feb)	(16/May)

ANALYSIS & RECOMMENDATION

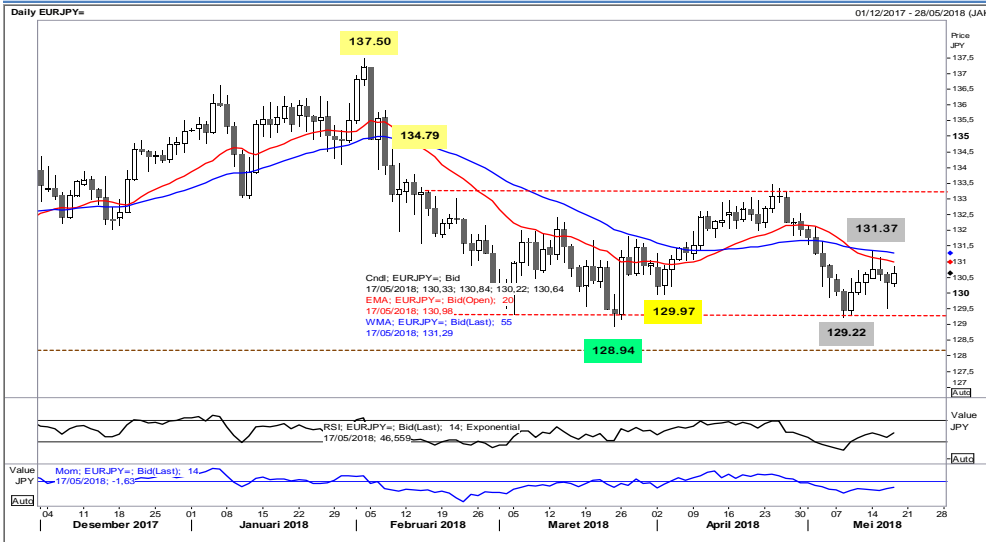
RESISTANCE	0.7221	High Apr 23
	0.7121	High Apr 25
	0.7040	High May 01
	0.6924	High May 15
SUPPORT	0.6815	Low Dec 01, 2017
	0.6779	Low Nov 17, 2017
	0.6674	Low May 30, 2016
	0.6574	Low Mar 16, 2016
RECOMMENDATION	BUY	0.6860
	SELL	-----
	STOP LOSS	0.6785
	TARGET	0.6935
		0.6970

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EUR/JPY

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



- RSI 14 is up
- Important resistance at 134.16, support at 129.59

[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 17	130.253	130.830	130.240	59,0	130.622	↑ 29,6	130.326
May 16	130.602	130.608	129.513	109,5	130.326	↓ 23,4	130.560
May 15	130.807	131.119	130.422	69,7	130.560	↓ 19,1	130.751
May 14	130.639	131.359	130.581	77,8	130.751	↑ 20,3	130.548
May 11	130.373	130.668	129.982	68,6	130.548	↑ 23,5	130.313

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
131.359	129.513	132.117	129.215	133.466	129.962	137.486	128.931
(14/May)	(16/May)	(01/May)	(08/May)	(24/Apr)	(02/Apr)	(02/Feb)	(23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	134.16	High Feb 09,2018
	133.24	High Apr 26,2018
	132.54	High Apr 30,2018
	131.65	High May 03,2018
SUPPORT	129.98	Low May 11,2018
	129.22	Low May 08,2018
	128.51	Low Aug 24,2017
	127.82	Low Aug 21,2017
RECOMMENDATION	BUY	130.55
	SELL	----
	STOP LOSS	129.70
	TARGET	131.45
		131.85

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USD/CAD

Interest Rate: 1.50%-1.75% (US)/1.25% (CA)



- RSI 14 daily rises
 - Beware of daily corrections
 - Main Resistance 1.3127, Support 1.2445
- [\(Research – rizal\)](#)

WEEKLY OPEN	CURRENT PRICE
1.2788	1.2804

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2924	1.2745	1.2997	1.2725	1.2943	1.2522	1.3124	1.2246
(15/May)	(17/May)	(08/May)	(11/May)	(02/Apr)	(17/Apr)	(19/Mar)	(31/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3127	High Mar 19,2018
	1.3079	High Mar 21,2018
	1.2974	High May 09,2018
	1.2876	High May 16,2018
SUPPORT	1.2745	Low Apr 23,2018
	1.2628	Low Apr 20,2018
	1.2543	Low Apr 18,2018
	1.2445	Low Feb 16,2018
RECOMMENDATION	BUY	----
	SELL	1.2820
	STOP LOSS	1.2900
	TARGET	1.2730 – 1.2700

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Precious Metal – Daily Outlook**Gold flat after hitting 2018 low as dollar, Treasuries firm - Reuters News**

Gold was flat after sliding to a fresh 2018 low on Thursday as another rise in U.S. bond yields and concerns over political risk in Italy held the dollar index near its 2018 peak.

The precious metal has fallen more than 2 percent this week on gains in the U.S. currency and a rise in U.S. 10-year Treasury yields to seven-year highs. Higher yields increase the opportunity cost of holding non-yielding assets such as bullion.

But gold got some support from geopolitical strife in North Korea.

Spot gold was flat at \$1,290.51 per ounce by 1:37 p.m. EDT (1737 GMT), off an earlier 4-1/2-month low of

\$1,285.41. U.S. gold futures for June delivery settled down \$2.10, or 0.2 percent, at \$1,289.40 per ounce.

The dollar has climbed nearly 4 percent this quarter on expectations the U.S. Federal Reserve will lift U.S. interest rates further this year to curb inflation, at a time when other central banks are still keeping monetary policy loose.

"The dollar and the interest rates are what's really driving gold," said Chris Gaffney, president of world markets at Everbank.

"Gold has further down to go, because the dollar has room to go higher."

The euro remains under pressure, hovering near a five-month low on concerns that political developments in Italy could cause wider disruption in the common currency bloc.

Political uncertainty arising out of North Korea after Pyongyang threatened to pull out of a meeting with the United States was likely to limit downside for gold, analysts said.

Market watchers, unsure if the U.S. Federal Reserve will be able to aggressively hike rates and concerned about political uncertainty, lent support to gold prices, said Ryan McKay, commodity strategist at TD Securities.

But gold "still remains vulnerable to the prevailing dollar and rate headwinds," INTL FCStone said in a note.

From a technical perspective, gold prices were looking vulnerable to further losses after breaking below key chart levels this week, according to analysts who study past price moves to determine the future direction of trade.

"Gold has eroded key support, namely the 200-day moving average, the \$1,302.74 March low and the 50 percent retracement (of the December-to-January rally)," Commerzbank said in a note on technicals. "We have been forced to neutralize our outlook as the market is now on the defensive."

Meanwhile, silver increased 0.6 percent to \$16.44 an ounce.

Platinum gained 0.4 percent to \$890.80 per ounce, off an earlier five-month low of \$879, while palladium declined 0.6 percent to \$977.47.

(Source Reuters, Research – @her1en)

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GOLD (XAU/USD)



- Important resistance around 1355
- Important support area around 1249

(Research - @her1en)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
May 17	1290.890	1294.410	1285.160	9.25	1290.890	↑ 0.12	1290.770	--	--
May 16	1290.520	1296.930	1286.440	10.49	1290.770	↑ 0.15	1290.620	--	--
May 15	1313.480	1314.770	1288.750	26.02	1290.620	↓ 22.65	1313.270	--	--
May 14	1319.300	1322.200	1312.870	9.33	1313.270	↓ 5.72	1318.990	--	--
May 11	1321.280	1325.830	1318.110	7.72	1318.990	↓ 2.21	1321.200	--	--

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1322.200	1285.160	1325.830	1285.160	1364.980	1310.240	1365.910	1285.160
(14/May)	(17/May)	(11/May)	(17/May)	(11/Apr)	(30/Apr)	(25/Jan)	(17/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1355.74	High Apr 18
	1335.38	High Apr 23
	1314.84	High May 15
	1296.87	High May 16
SUPPORT	1286.20	Low May 16
	1281.06	Low Dec 27, 2017
	1264.70	Low Dec 22, 2017
	1249.85	Low Dec 14, 2017
RECOMMENDATION	BUY	1288.00
	SELL	-----
	STOP LOSS	1278.00
	TARGET	1298.00
		1303.00

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SILVER (XAG/USD)



- With strong resistance at 17.35
 - While the crucial support area is around 15.74
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 17	16.354	16.474	16.310	0.16	16.410	↑ 0.05	16.364
May 16	16.256	16.327	16.170	0.16	16.364	↑ 0.11	16.250
May 15	16.509	16.536	16.186	0.35	16.250	↓ 0.25	16.497
May 14	16.671	16.718	16.483	0.23	16.497	↓ 0.16	16.656
May 11	16.708	16.815	16.643	0.17	16.656	↓ 0.04	16.697

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.718	16.170	16.815	16.149	17.336	16.169	17.682	16.105
(14/May)	(16/May)	(11/May)	(02/May)	(19/Apr)	(05/Apr)	(25/Jan)	(20/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	17.48	High Jan 29
	17.35	High Apr 19
	17.11	High Apr 23
	16.55	High May 15
SUPPORT	16.13	Low May 02, 2018
	15.97	Low Dec 19, 2017
	15.74	Low Dec 14, 2017
	15.59	Low Dec 13, 2017
ECOMMENDATION	BUY	16.35
	SELL	-----
	STOP LOSS	16.00
	TARGET	16.70
		16.90

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OIL – Daily Outlook**Oil steady after retreating from 2014 highs on dollar strength - Reuters News**

Oil prices climbed above \$80 a barrel on Thursday for the first time since November 2014, before retreating on a stronger dollar and climbing U.S. output to end unchanged.

A rapid slide in oil supply from Venezuela, concern that U.S. sanctions will disrupt exports from Iran, and falling global inventories have all combined to push oil prices up nearly 20 percent in 2018.

The U.S. dollar hit its highest level in four months against the yen as yields on benchmark U.S. government bonds hit a seven-year high.

A stronger dollar makes oil more expensive for importing nations such as those in Asia, which are facing a trillion dollar bill for their imports this year as demand in the continent reaches a record high.

Brent crude futures reached an intraday high of \$80.50 a barrel, but later gave up most gains to settle up 2 cents at \$79.30 a barrel.

U.S. West Texas Intermediate (WTI) crude futures settled unchanged at \$71.49, after earlier also hitting their highest since November 2014 at \$72.30 a barrel.

Global inventories of crude and fuel have dropped sharply in recent months owing to robust demand and OPEC-led production cuts.

The Organization of the Petroleum Exporting Countries and non-OPEC global producers, that have curbed output since the start of 2017, will next meet to discuss supply policy in Vienna in June.

However, Venezuela's economic crisis, and the prospect of additional U.S. sanctions following its May 20 elections could hit the market further.

"I expect that Venezuelan production will continue to decline and the upcoming elections hold the spectre of the U.S. imposing additional sanctions on Venezuela that may hasten the loss of supply," said Andrew Lipow, president of Lipow Oil Associates, a consultancy in Houston.

He said Iranian oil sales could plunge by 300,000 to 500,000 bpd in the next six weeks as well, after U.S. President Donald Trump's decision this month to withdraw from an international nuclear deal with Iran and revive sanctions that could limit crude exports from OPEC's third-largest producer.

Record domestic oil output and exports have capped the rally in the United States, and led to a rising premium for Brent above WTI, which traded at \$8.20 a barrel on Thursday, the widest spread since April 2015.

U.S. crude output has soared 27 percent in the last two years to a record 10.72 million barrels per day, putting it within reach of top producer Russia's 11 million bpd.

That has not been enough to stop oil prices rallying, energy ministers of OPEC's largest producer Saudi Arabia and its neighbor and fellow OPEC member United Arab Emirates to note that the market remains well supplied.

The two ministers, in a joint statement, blamed volatility in prices on international political tensions. They plan to meet their Russian counterpart in Saint Petersburg in a week to discuss the oil market.

Global oil inventories were expected to drop further as the peak demand summer driving season nears, offsetting increases in U.S. shale output, Bernstein analysts said.

Several banks have in recent days raised their oil price forecasts, citing tighter supplies and strong demand.

Further supporting prices, Royal Dutch Shell said it was halting crude exports from a major Nigerian pipeline.

On the flip side, high oil prices would hurt consumption, the International Energy Agency warned on Wednesday as it lowered its global oil demand growth forecast for 2018 to 1.4 million bpd from 1.5 million bpd.

The IEA said global oil demand would average 99.2 million bpd in 2018. U.S. bank Goldman Sachs said consumption would cross 100 million bpd during the peak summer period.

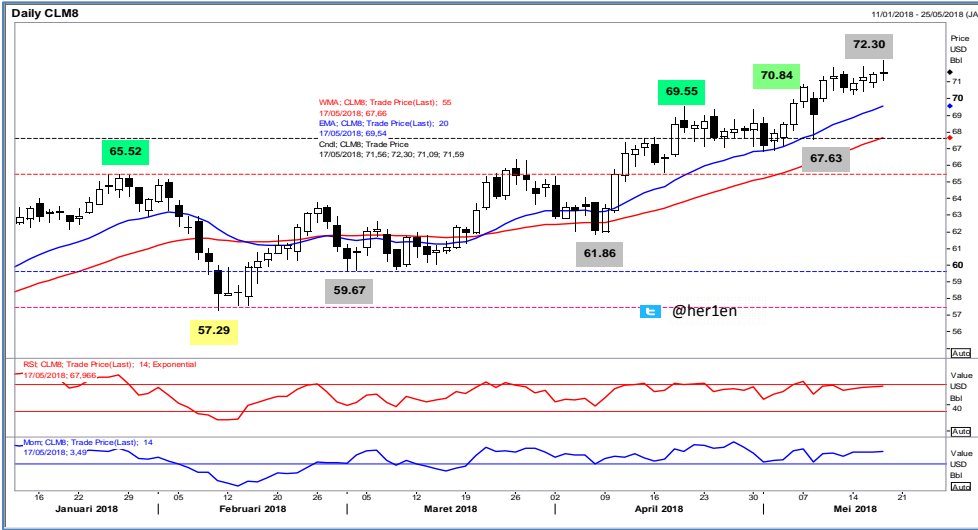
[\(Source Reuters, Research – @her1en\)](#)

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CLM8/USD (OIL)

(Exp.: 22 May 2018 - Reuters)



- Important resistance at 73.56, support at 69.85
 - RSI 14 is flat
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 17	71.54	72.28	71.10	1.18	71.57	↑ 0.05	71.52
May 16	70.99	71.57	70.65	0.92	71.52	↑ 0.54	70.98
May 15	71.13	71.89	70.42	1.47	70.98	↓ 0.16	71.14
May 14	70.65	71.21	70.26	0.95	71.14	↑ 0.64	70.50
May 11	71.43	71.61	70.44	1.17	70.50	↓ 0.88	71.38

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
72.28	70.26	72.28	66.92	69.53	61.80	72.28	58.06
(17/May)	(14/May)	(17/May)	(02/May)	(19/Apr)	(06/Apr)	(17/May)	(09/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	76.58	High Nov 25, 2014
	74.48	High Nov 26, 2014
	73.56	High Nov 28, 2014
	71.92	High May 15
SUPPORT	70.42	Low May 15
	69.85	Low May 09
	67.63	Low May 08
	66.56	Low Apr 18
RECOMMENDATION	BUY	71.35
	SELL	-----
	STOP LOSS	70.15
	TARGET	72.75
		73.25

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Daily Outlook

18-May 18

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