

Daily Bulletin

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

Research Department

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GLOBAL MARKETS & ECONOMIES

GLOBAL MARKETS

- Wall Street posted record closing highs on Wednesday, driven by strong earnings, while U.S. Treasuries declined in price as investors focused on monetary policy and the dollar snapped a four-day rally.

GLOBAL ECONOMIES

- China will deepen economic and financial reforms and further open its markets to foreign investors as it looks to move from high-speed to high-quality growth, President Xi Jinping said on Wednesday.
- Bank of Japan board member Makoto Sakurai on Wednesday dismissed the need for additional monetary easing, saying the central bank should not take unnecessary steps to accelerate the timing of its 2 percent inflation target.
- Easy monetary policy gives euro zone governments a window of opportunity to enact the reforms needed to boost growth once interest rates have to rise, European Central Bank President Mario Draghi said on Wednesday.
- Greece's creditors will return to Athens next week to assess its bailout compliance, in a review which should be concluded swiftly if the country is to meet its goal of emerging from lenders' supervision next year.
- British pay growth has lagged behind inflation again, official data showed on Wednesday, adding to questions about how quickly the Bank of England will raise interest rates after an initial hike expected on Nov. 2.
- U.S. homebuilding fell to a one-year low in September as Hurricanes Harvey and Irma disrupted the construction of single-family homes in the South, suggesting housing probably remained a drag on economic growth in the third quarter.

GLOBAL MARKETS

U.S. & Global Markets – Wall Street posted record closing highs on Wednesday, driven by strong earnings, while U.S. Treasuries declined in price as investors focused on monetary policy and the dollar snapped a four-day rally.

Long-dated U.S. Treasury yields rose and yields on the 2-year Treasury note hit their highest level since November 2007, as investors bet on tighter global monetary policy.

All three Wall Street major indexes posted record closing highs. Strong earnings from International Business Machines Corp helped the Dow Jones Industrial Average close above the 23,000 milestone for the first time.

"People are of the mindset that there is no alternative to equities and therefore they're continuing to pour into them,"

said Ian Winer, head of equities at Wedbush Securities in Los Angeles.

The Dow Jones Industrial Average rose 160.16 points, or 0.7 percent, to 23,157.6, the S&P 500 gained 1.9 points, or 0.07 percent, to 2,561.26 and the Nasdaq Composite added 0.56 points, or 0.01 percent, to 6,624.22.

MSCI's gauge of stocks across the globe gained 0.15 percent.

Investors focused on global economic strength and expectations for a gradual monetary policy tightening as they waited for signals that the European Central Bank would buy fewer bonds, said Paul Christopher, head global market strategist at Wells Fargo Investment Institute in St. Louis.

"That's equivalent to taking your foot a little bit off the gas but not hitting the brake," he said.

Benchmark 10-year notes last fell 12/32 in price to yield 2.3411 percent, from 2.298 percent late on Tuesday. The 30-year bond last fell 29/32 in price to yield 2.8483 percent, from 2.803 percent late on Tuesday.

Short-dated notes added to selling after comments from New York Fed President William Dudley, who sounded supportive of Fed Chair Janet Yellen's weekend comments that the Fed was likely to continue its path of U.S. interest rate increases.

While the dollar found some support from higher U.S. Treasury yields, the greenback, as measured against six other major currencies, reversed from a small gain to a small decline in afternoon trading.

(Source Reuters – @her1en)

GLOBAL ECONOMIES

China – China will deepen economic and financial reforms and further open its markets to foreign investors as it looks to move from high-speed to high-quality growth, President Xi Jinping said on Wednesday.

China will push ahead with market-oriented reforms of its foreign exchange rate as well as its financial system, and let the market play a decisive role in the allocation of resources, Xi said at the opening of a key, twice-a-decade Communist Party Congress.

"China's open door will not be closed, it will be only be opened wider," Xi said.

The government will "clean up rules and practices that hinder a unified market and fair competition, support development of private firms and stimulate vitality of all types of market entities," Xi said, while pledging to further open China's services sector to foreign investors.

However, while expressing support for market reform and private firms, Xi also called for stronger, bigger state firms.

The government will "promote strengthening, improvement and expansion of state capital, (and) effectively prevent loss of state assets, deepen reform of state-owned enterprises, development a mixed-ownership economy and cultivate globally competitive world-class firms," Xi said.

Xi's comments reiterated a long-standing pledge by party leaders to give a greater role to free-market forces to improve efficiency and put the economy on a more sustainable growth path.

But as Xi gears up for his second five-year term, foreign business executives and analysts increasingly believe market liberalization is seen as secondary to his state-centred approach to economic policy and his focus on stability.

Other painful reforms that many economists say are needed have also moved slowly under Xi. They include overhauling China's bloated and debt-laden state sector, fixing the fiscal system to tackle local government debt and bringing in new property taxes to ward off housing bubbles.

Japan – Bank of Japan board member Makoto Sakurai on Wednesday dismissed the need for additional monetary easing, saying the central bank should not take unnecessary steps to accelerate the timing of its 2 percent inflation target.

Sakurai's comments are a sharp contrast to those of another board member at the BOJ's September meeting, who called for stronger measures to help consumer prices reach the central bank's 2 percent target.

"There's no need to do anything excessive to quickly meet the price target," Sakurai said after meeting business leaders in Hakodate, northern Japan.

"Our current policy with yield curve control is sufficient."

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 the 2 percent target by March 2020, but core consumer prices rose only 0.7 percent year-on-year in August.

Economists have said even this timeframe is unlikely, but the BOJ's official stance is inflation is set to accelerate.

The BOJ's policy board next meets on Oct. 30-31, when it will update its consumer price forecasts.

A summary of opinions from the previous meeting in September showed one member, who was not identified, calling for stronger stimulus measures.

While such a proposal is unlikely to win over a majority of the BOJ's nine board members, it could spur public debate about whether the BOJ's policies still make sense after repeated revisions to its price target timeframes.

Sakurai reiterated the BOJ's view that consumer prices remain on track to reach 2 percent because companies will eventually have to pass higher labour costs on to consumers.

Sakurai also said the rising labour participation rate and companies' efforts to raise productivity are placing downward pressure on wages and prices in the short term.

However, these two developments are beneficial to prices over the long term, because this will lead to faster economic growth, he said.

At its previous meeting, the BOJ kept monetary policy steady by maintaining its short-term interest rate target at minus 0.1 percent and a pledge to guide 10-year government bond yields around zero percent.

The BOJ also buys exchange-traded funds (ETFs) so its holdings increase at a pace of about 6 trillion yen (\$53.44 billion) a year.

It is too soon to think about changing the size of these purchases, Sakurai said on Wednesday.

The BOJ's official stance is its purchases of ETFs help reduce risk premiums, but some analysts say the purchases artificially push up Japan's stock markets.

Sakurai also said the BOJ should not change its 2 percent inflation target, as such targets were used by other central banks and contributed to stability in foreign exchange rates.

Euro Zone – Easy monetary policy gives euro zone governments a window of opportunity to enact the reforms needed to boost growth once interest rates have to rise, European Central Bank President Mario Draghi said on Wednesday.

"ECB research finds no convincing evidence that high interest rates lead to more reforms," Draghi told a conference in Frankfurt. "In fact, the opposite is more likely to be true: lower rates tend to promote reforms, since they lead to a better macroeconomic environment."

"With monetary policy being accommodative, we now have a window of opportunity to take these measures," Draghi added.

Greece – Greece's creditors will return to Athens next week to assess its bailout compliance, in a review which should be concluded swiftly if the country is to meet its goal of emerging from lenders' supervision next year.

Athens hopes to wrap up the review by January to start discussions with its lenders right after on the terms of exiting its current, 86-billion euro bailout in August 2018, and on further debt relief - a long-standing Greek demand.

European Union and International Monetary Fund technical teams were expected in Athens on Wednesday to prepare the ground for the mission chiefs' return next Monday, the first of at least two scheduled visits, officials close to the talks said.

The talks will focus on Greece's efforts to reduce banks' bad loans, a thorny issue for the EU and the IMF, and its fiscal performance, the officials said. Reforming the public sector and opening up the energy market will also be high on the agenda.

So far, Athens has completed about 15 of about 100 demands which include some labour, pension and tax reforms, opening up professions and some privatisations in a seemingly easy review. But risks remain as the clock is ticking, the officials warned.

"There aren't many difficult issues under this review as opposed to the previous ones," an official close to the talks told Reuters. "But a delay (beyond January) entails the risk of igniting more demands from the IMF on banks and debt relief."

Greece is expected to outperform this year's target for a primary surplus - which excludes debt servicing costs - of 1.75 percent of gross domestic product. It also expects economic growth of 1.8 percent this year.

U.K. – British pay growth has lagged behind inflation again, official data showed on Wednesday, adding to questions about how quickly the Bank of England will raise interest rates after an initial hike expected on Nov. 2. The British central bank looks on course to deliver its first increase in borrowing costs in a decade, most economists said after the data, reversing last year's rate cut that followed Britain's vote to leave the European Union.

Britain's jobless rate between June and August held at a 42-year low of 4.3 percent, one reason why the BoE thinks pay is likely to pick up soon.

And while overall annual pay growth of 2.2 percent was weaker than inflation - which hit 3 percent in September, its highest level since 2012 - it was slightly above a median forecast of 2.1 percent in a Reuters poll of economists.

There was slightly stronger growth for workers in the private sector, the Office for National Statistics said.

"I can't see anything in these numbers that will alter the Bank of England's thinking," Sam Hill, an economist with RBC Capital Markets, said.

However, the stubborn gap between weak wage growth and high inflation meant there was "considerable doubt" about further rate hikes in 2018, he said.

Britain, like the United States and other rich economies, has seen a sharp fall in unemployment which would normally fuel inflation, according to established economic theory. But wages on both sides of the Atlantic have failed to rise in a significant way since the financial crisis a decade ago.

U.S. – U.S. homebuilding fell to a one-year low in September as Hurricanes Harvey and Irma disrupted the construction of single-family homes in the South, suggesting housing probably remained a drag on economic growth in the third quarter.

Housing starts decreased 4.7 percent to a seasonally adjusted annual rate of 1.127 million units, the Commerce Department said on Wednesday. That was the lowest level since September 2016 and marked the third monthly decline in starts.

Groundbreaking tumbled 9.3 percent in the South to the lowest level since October 2015, with single-family homebuilding in the region

plunging 15.3 percent to more than a one-year low. The South accounts for almost half of the nation's homebuilding.

Building permits fell 4.5 percent to a rate of 1.215 million units in September. Permits in the South dropped 5.6 percent.

It was not clear what the impact of Harvey and Irma was on the September housing starts and permits data. The Commerce Department said the Texas and Florida areas impacted by the storms accounted for about 13 percent of U.S. building permits in 2016.

Economists polled by Reuters had forecast housing starts falling to a rate of 1.175 million units last month and building permits slipping to a rate of 1.250 million units.

Prices of U.S. Treasuries fell in early morning trading while U.S. stock index futures were trading higher. The dollar was firmer against a basket of currencies. [\(Source Reuters, Research – @her1en\)](#)

WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
12-Oct - 18-Oct	N/A	CN	Foreign Direct Investment YoY CNY	Sep	-	--	9.1%	
Mon/16-Oct-17	04:30	NZ	Performance Services Index	Sep	56.0	--	57.3	57.2
	08:30	CN	CPI YoY	Sep	1.6%	1.6%	1.8%	
	08:30	CN	PPI YoY	Sep	6.9%	6.3%	6.3%	
	11:30	JP	Industrial Production MoM	Aug F	2.0%	2.1%	2.1%	
	11:30	JP	Industrial Production YoY	Aug F	5.3%	--	5.4%	
	11:30	JP	Capacity Utilization MoM	Aug	3.3%	--	-1.8%	
	16:00	EZ	Trade Balance SA	Aug	21.6b	20.2b	18.6b	17.9b
	16:00	EZ	Trade Balance NSA	Aug	16.1b	23.3b	23.2b	
	19:30	US	Empire Manufacturing	Oct	30.2	20.4	24.4	
	20:00	CA	Existing Home Sales MoM	Sep	-	--	1.3%	
Tue/17-Oct-17	04:00	KR	Export Price Index MoM	Sep	-	--	0.5%	
	04:00	KR	Export Price Index YoY	Sep	-	--	10.7%	
	04:00	KR	Import Price Index YoY	Sep	-	--	9.0%	
	04:00	KR	Import Price Index MoM	Sep	-	--	1.5%	
	04:45	NZ	CPI QoQ	3Q	0.5%	0.5%	0.0%	
	04:45	NZ	CPI YoY	3Q	1.9%	1.9%	1.7%	
	07:30	AU	RBA Oct. Rate Meeting Minutes					
	15:15	GB	BOE's Carney, Ramsden and Tenreyro Testify to Lawmakers					
	15:30	GB	CPIH YoY	Sep	2.8%	2.8%	2.7%	
	15:30	GB	CPI MoM	Sep	0.3%	0.3%	0.6%	
	15:30	GB	CPI YoY	Sep	3.0%	3.0%	2.9%	
	15:30	GB	CPI Core YoY	Sep	2.7%	2.7%	2.7%	
	15:30	GB	PPI Input NSA MoM	Sep	0.4%	1.2%	1.6%	2.3%
	15:30	GB	PPI Input NSA YoY	Sep	8.4%	8.2%	7.6%	8.4%
	15:30	GB	PPI Output NSA MoM	Sep	0.2%	0.2%	0.4%	
	15:30	GB	PPI Output NSA YoY	Sep	3.3%	3.3%	3.4%	
	15:30	GB	PPI Output Core NSA MoM	Sep	0.0%	0.1%	0.2%	
	15:30	GB	PPI Output Core NSA YoY	Sep	2.5%	2.6%	2.5%	
	16:00	EZ	CPI MoM	Sep	0.4%	0.4%	0.3%	
	16:00	EZ	CPI YoY	Sep F	1.5%	1.5%	1.5%	
	16:00	EZ	ZEW Survey Expectations	Oct	26.7	--	31.7	
	16:00	EZ	CPI Core YoY	Sep F	1.1%	1.1%	1.1%	
	16:00	DE	ZEW Survey Current Situation	Oct	87.0	88.5	87.9	
	16:00	DE	ZEW Survey Expectations	Oct	17.6	20	17	

	20:15	US	Industrial Production MoM	Sep	0.3%	0.3%	-0.9%	-0.7%
	20:15	US	Manufacturing (SIC) Production	Sep	0.1%	0.2%	-0.3%	-0.2%
Wed/18-Oct-17	06:00	KR	Unemployment rate SA	Sep	-	--	3.8%	
	06:30	AU	Westpac Leading Index MoM	Sep	0.08%	--	-0.08%	-0.10%
	15:30	GB	Claimant Count Rate	Sep	2.3%	--	2.3%	
	15:30	GB	Jobless Claims Change	Sep	1.7k	--	-2.8k	-0.2k
	15:30	GB	Average Weekly Earnings 3M/YoY	Aug	2.2%	2.1%	2.1%	2.2%
	15:30	GB	Weekly Earnings ex Bonus 3M/YoY	Aug	2.1%	2.0%	2.1%	2.2%
	15:30	GB	ILO Unemployment Rate 3Mths	Aug	4.3%	4.3%	4.3%	
	15:30	GB	Employment Change 3M/3M	Aug	94k	148k	181k	
	16:00	EZ	Construction Output MoM	Aug	0.2%	--	0.2%	0.0%
	16:00	EZ	Construction Output YoY	Aug	1.6%	--	3.4%	2.8%
	19:00	US	Fed's Dudley and Kaplan Discuss Economic Development					
	19:30	US	Housing Starts	Sep	1127k	1180k	1180k	1183k
	19:30	US	Housing Starts MoM	Sep	-4.7%	-0.4%	-0.8%	-0.2%
	19:30	US	Building Permits	Sep	1215k	1230k	1300k	1272k
	19:30	US	Building Permits MoM	Sep	-4.5%	-3.3%	5.7%	3.4%
	21:30	US	DOE U.S. Crude Oil Inventories	Oct-13	-5731k	-3250k	-2747k	
	21:30	US	DOE Cushing OK Crude Inventory	Oct-13	202k	--	1322k	
	21:30	US	DOE U.S. Gasoline Inventories	Oct-13	908k	1050k	2490k	
	21:30	US	DOE U.S. Distillate Inventory	Oct-13	528k	-1450k	-1480k	
Thu/19-Oct-17	01:00	US	U.S. Federal Reserve Releases Beige Book					
	06:50	JP	Trade Balance	Sep		¥565.1b	¥113.6b	
	06:50	JP	Trade Balance Adjusted	Sep		¥312.8b	¥367.3b	
	06:50	JP	Exports YoY	Sep		14.8%	18.1%	
	06:50	JP	Imports YoY	Sep		14.6%	15.2%	
	07:30	AU	NAB Business Confidence	3Q		--	7	
	07:30	AU	Employment Change	Sep		20.0k	54.2k	
	07:30	AU	Unemployment Rate	Sep		5.6%	5.6%	
	07:30	AU	Full Time Employment Change	Sep		--	40.1k	
	07:30	AU	Part Time Employment Change	Sep		--	14.1k	
	07:30	AU	Participation Rate	Sep		65.2%	65.3%	
	N/A	HK	Composite Interest Rate	Sep		--	0.3%	
	N/A	KR	BoK 7-Day Repo Rate	Oct-19		--	1.25%	
	09:00	CN	GDP YoY	3Q		6.8%	6.9%	
	09:00	CN	GDP SA QoQ	3Q		1.7%	1.7%	
	09:00	CN	GDP YTD YoY	3Q		6.8%	6.9%	
	09:00	CN	Retail Sales YoY	Sep		10.1%	10.1%	
	09:00	CN	Retail Sales YTD YoY	Sep		10.3%	10.4%	
	09:00	CN	Fixed Assets Ex Rural YTD YoY	Sep		7.7%	7.8%	
	09:00	CN	Industrial Production YoY	Sep		6.4%	6.0%	
	09:00	CN	Industrial Production YTD YoY	Sep		6.7%	6.7%	
	N/A	AU	RBA's Bullock Gives Speech in Sydney					
	11:30	JP	All Industry Activity Index MoM	Aug		--	-0.1%	
	13:00	JP	Machine Tool Orders YoY	Sep F		--	45.3%	
	13:00	CH	Trade Balance	Sep		--	2.17b	
	13:00	CH	Exports Real MoM	Sep		--	2.8%	
	13:00	CH	Imports Real MoM	Sep		--	3.0%	
19-Oct - 20-Oct	N/A	EZ	European Union Leaders Hold Summit in Brussels					
	15:30	HK	Unemployment Rate SA	Sep		--	3.1%	
	15:30	GB	Retail Sales Ex Auto Fuel MoM	Sep		--	1.0%	
	15:30	GB	Retail Sales Ex Auto Fuel YoY	Sep		--	2.8%	
	15:30	GB	Retail Sales Inc Auto Fuel MoM	Sep		--	1.0%	
	15:30	GB	Retail Sales Inc Auto Fuel YoY	Sep		--	2.4%	
	19:30	US	Initial Jobless Claims	Oct-14		--	--	
	19:30	US	Philadelphia Fed Business Outlook	Oct		20.3	23.8	
	19:30	US	Continuing Claims	Oct-07		--	--	
	21:00	US	Leading Index	Sep		0.1%	0.4%	

Fri/20-Oct-17	04:00	KR	PPI YoY	Sep		--	3.2%	
	N/A	DE	Germany Sovereign Debt to be rated by Moody's					
	13:00	DE	PPI MoM	Sep		--	0.2%	
	13:00	DE	PPI YoY	Sep		--	2.6%	
	13:35	JP	BOJ Kuroda speaks in Tokyo					
	15:00	EZ	ECB Current Account SA	Aug		--	25.1b	
	15:00	EZ	Current Account NSA	Aug		--	32.5b	
	15:30	GB	Public Finances (PSNCR)	Sep		--	0.0b	
	15:30	GB	Central Government NCR	Sep		--	1.1b	
	15:30	GB	Public Sector Net Borrowing	Sep		--	5.1b	
	15:30	GB	PSNB ex Banking Groups	Sep		--	5.7b	
	19:30	CA	CPI NSA MoM	Sep		--	0.1%	
	19:30	CA	CPI YoY	Sep		--	1.4%	
	19:30	CA	Consumer Price Index	Sep		--	130.5	
	19:30	CA	CPI Core- Common YoY%	Sep		--	1.5%	
	19:30	CA	CPI Core- Trim YoY%	Sep		--	1.4%	
	19:30	CA	CPI Core- Median YoY%	Sep		--	1.7%	
	19:30	CA	Retail Sales MoM	Aug		--	0.4%	
	19:30	CA	Retail Sales Ex Auto MoM	Aug		--	0.2%	
	21:00	US	Existing Home Sales	Sep		5.30m	5.35m	
	21:00	US	Existing Home Sales MoM	Sep		-0.9%	-1.7%	
Sat/21-Oct-17	00:00	US	Baker Hughes U.S. Rig Count	Oct-20		--	928	
	01:00	US	Fed's Mester Speaks on Global Regulatory Structure					
	06:15	US	Yellen Speaks to National Economists Club in Washington					

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

ASIAN STOCK INDICATORS – *Daily Outlook*

Japan's Nikkei share average rose for a 12th consecutive day on Wednesday, getting a lift from hopes that this weekend's election will produce political stability and continuation of loose monetary policy. The Nikkei ended 0.1 percent higher at a fresh 21-year high of 21,363.05. It's the longest winning streak since May-June 2015, which was also 12 days, and equals the longest since Abenomics started in late 2012. "Unlike Japan's lost decade era, the Nikkei has posted a long winning streak once in a few years lately. It means that something has changed, and that's corporate profits," said Takashi Ito, equity market strategist at Nomura Securities. He said that Japanese companies' profits have been rising over the past few years and this fundamental factor is underpinning investors' risk appetite, on top of hopes that the ruling bloc will win Sunday's election. The broader Topix was slightly higher, up 0.1 percent at 1,724.64. Japanese Prime Minister Shinzo Abe's coalition is on track for a roughly two-thirds majority in the general election, a survey by Kyodo news agency showed, as its conservative rival led by Tokyo Governor Yuriko Koike appeared to lose momentum. Japanese companies overwhelmingly want Abe's ruling coalition to stay in power but about two-thirds hope that it loses seats, according to a Reuters poll published on Wednesday. Exporters were broadly steady on Wednesday, with Toyota Motor Corp up 0.7 percent and Hitachi Ltd climbing 0.9 percent. Stock gains were capped by wariness over corporate scandals at some large firms. Shares of Kobe Steel Ltd shed 3.1 percent, resuming their slide after rising in the previous session. The steelmaker's stock has dropped over 39 percent this month, since its scandal over data falsifying came to light. Kobe Steel said Tuesday it has been asked by the U.S. Justice Department to submit documents related to its data fabrication, as the company delivers its products to a wide range of industries in the United States from car makers to airlines.

South Korean shares took a breather on Wednesday as foreign investors took profits from the market's recent gains, mostly in large tech stocks. Traders were also cautious ahead of China's third-quarter GDP data on Thursday, amid forecasts that South Korea's top export market is starting to lose some of its robust growth momentum. The Korea Composite Stock Price Index (KOSPI) closed down 0.1 percent at 2,482.91 points, but has still risen around 3.7 percent so far this month, encouraged by strong earnings reports and global equity market gains. Offshore investors trimmed a net 32.1 billion won (\$28.43 million) worth of KOSPI shares on the day. Market heavyweight SK Hynix ended down 3.1 percent. The South Korean won edged up. The won was quoted at 1,129.9 to the dollar at the conclusion of onshore trade, up 0.2 percent versus Tuesday's close of 1,132.5.

Hong Kong stocks inched up on Wednesday, with listings in the city of some China-based companies advancing on the first day of the key Communist Party Congress in Beijing. President Xi Jinping opened the congress on Wednesday with a pledge to build a "modern socialist country" for a "new era". Investors are keen for clear direction on economic and financial market reform over the next five years, but history suggests these events can be light on detail. The Hang Seng index added 0.1 percent, to 28,711.76 points. The China Enterprises Index, an index tracking major domestic firms listed in Hong Kong, gained 0.5 percent, to 11,621.95 points. Sectors performance was mixed, with gains in developers offset by weakness in resources firms. Property and construction firms rose 1 percent, led by top developer Sunac with a 6.9 percent jump, even after Xi said China will maintain the principle that houses are for people to live in, not for speculation. Material firms dropped 1.6 percent, tracking mainland peers, amid continued weakness in commodities market.

China stocks firmed on Wednesday, with the blue-chip index closing at a 26-month high, as investors pinned hopes on a key leadership summit in Beijing promoting reforms to boost growth in the world's second-largest economy. The twice-a-decade Communist Party congress is expected to cement the power of President Xi Jinping, who kicked off the week-long event with a speech saying the market would be allowed to play a decisive role in allocating resources. Xi also said China would deepen economic and financial reforms and further open its markets to foreign investors as it looked to move from high-speed to high-quality growth. The blue-chip CSI300 index rose 0.8 percent, to 3,944.16 points, its highest close since August 2015, while the Shanghai Composite Index added 0.3 percent to 3,381.79 points. Investors are keen for direction on economic and financial market reform over the next five years, though China's leadership events in the past have been light on detail. "Market participants are paying much more attention to the party congress this time, as they are watching if any surprise reforms will emerge amid concerns over economic growth," said Yan Kaiwen, an analyst in Shanghai with China Fortune Securities. Yan said China's ongoing supply-side ones have boosted economic growth, which should give investors confidence about the success of future reforms. Also lifting sentiment, China's central bank injected 300 billion yuan (\$45.32 billion) into money markets on Wednesday, as Beijing moved to maintain market liquidity. Defensive consumer and healthcare firms led the advance while financials and utilities held steady. Material firms however, extended losses, falling 0.8 percent, amid continued weakness in commodities market.

(Source Reuters, Research: rizal)

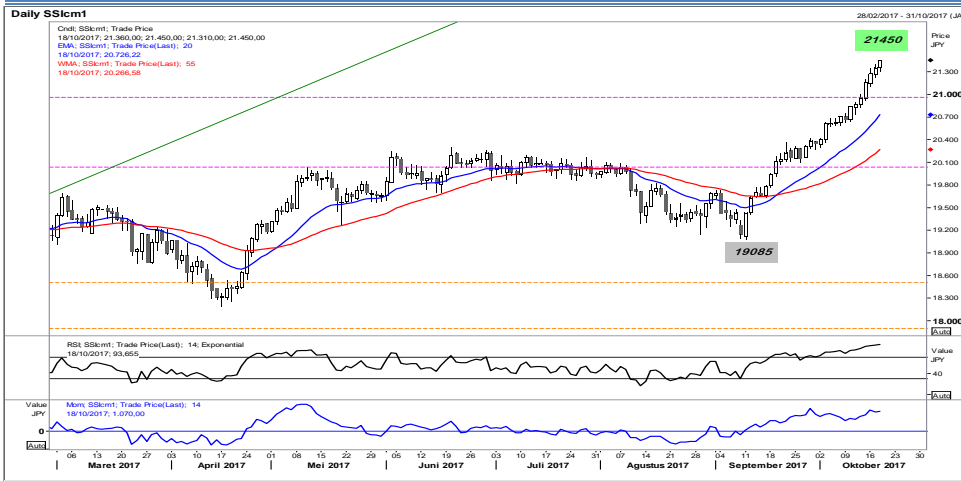
ASIA AND GLOBAL MARKET SPOT PRICE 2017

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
RECORD HIGH	38915.87 (29/Dec/89)	328.51 (17/Oct/2017)	31958.41 (30/Oct/07)	23157.60 (18/Oct/2017)	2561.26 (18/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	21363.05 (18/Oct/2017)	328.51 (17/Oct/2017)	28711.76 (18/Oct/2017)	23157.60 (18/Oct/2017)	2561.26 (18/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 – 18 October 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	23157.60	↑ 160.16/ 0.70%	.N225	21363.05	↑ 26.93/0.13%
/.SPX	2561.26	↑ 1.90/ 0.074%	.KS200	328.40	↓ 0.11/0.03%
/.IXIC	6624.220	↑ 0.563/ 0.01%	.HSI	28711.76	↑ 14.27/0.05%
JPY=	112.92	↑ 0.73/ 0.65%	/.SSEC	3381.36910	↑ 9.32840/0.28%
KRW=	1131.87	↑ 1.66/ 0.15%	/Clc1 (Oil)	52.03	↑ 0.09/0.17%

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



- The trend is still bullish.
 - The support area is 20310, and the resistance area at 21473
 - The RSI enters the overbought area, the trend may reverse
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
18 Oct SSIpmZ7	21365	21450	21345	105	21450	---	↑ 90	0.42	20871
18 Oct SSIamZ7	21340	21415	21315	100	21360	21360	↑ 10	0.05	51477
17 Oct SSIpmZ7	21360	21370	21310	60	21355	---	↑ 5	0.02	22216
17 Oct SSIamZ7	21340	21395	21230	165	21350	21350	↑ 75	0.35	61997
16 Oct SSIpmZ7	21270	21345	21240	105	21330	---	↑ 55	0.26	16685
16 Oct SSIamZ7	21245	21350	21190	160	21275	21275	↑ 115	0.54	57838
13 Oct SSIpmZ7	21150	21260	21115	145	21225	---	↑ 65	0.31	27398
13 Oct SSIamZ7	20965	21210	20930	280	21160	21160	↑ 210	1.00	84760
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

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
21450	21190	21450	20370	20425	19085	21450	18190
(18/Oct)	(16/Oct)	(18/Oct)	(02/Oct)	(27/Sep)	(08/Sep)	(18/Oct)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	21888	Fibo Projections (261.8%)
	21680	Fibo Projections (161.8%)
	21552	Fibo Projections (100.0%)
	21473	Fibo Projections (61.8%)
SUPPORT	21310	Low 18/Oct/2017
	21230	Low 17/Oct/2017
	21115	Low 13/Oct/2017
	20935	Low 12/Oct/2017
RECOMMENDATION	BUY	21415
	SELL	----
	STOP LOSS	21315
	TARGET	21565 21615

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



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

[\(Research – rizal\)](#)

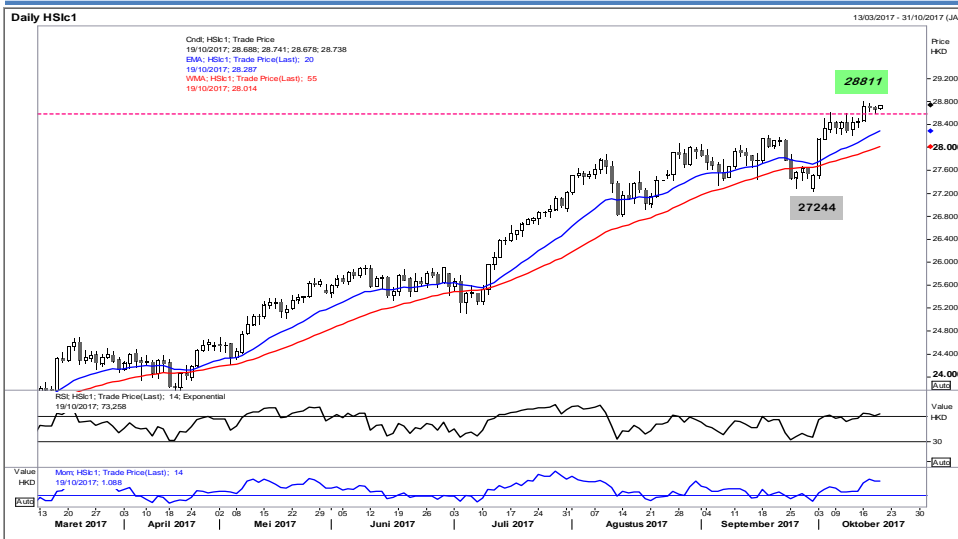
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
18 Oct	328.85	330.10	328.30	1.80	329.20	329.20	↑ 0.05	0.02	136154
17 Oct	328.90	329.85	328.70	1.15	329.15	329.15	↑ 0.30	0.09	128127
16 Oct	329.00	330.25	328.15	2.10	328.85	328.85	↑ 0.20	0.06	132287
13 Oct	328.40	329.30	327.90	1.40	328.65	328.65	↓ 0.35	0.11	126207
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

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
330.25 (16/Oct)	328.15 (16/Oct)	330.25 (16/Oct)	321.40 (10/Oct)	321.60 (20/Sep)	302.70 (06/Sep)	330.25 (16/Oct)	259.25 (02/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	336.81	Fibo Projections (161.8%)
	333.55	Fibo Projections (100.0%)
	331.54	Fibo Projections (61.8%)
	330.92	Fibo Projections (50.0%)
SUPPORT	327.90	Low 13/Oct/2017
	326.80	Low 12/Oct/2017
	324.10	Low 11/Oct/2017
	321.40	Low 10/Oct/2017
RECOMMENDATION	BUY	328.90
	SELL	----
	STOP LOSS	327.90
	TARGET	330.40 330.90

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
18 Oct	28677	28709	28639	70	28677	28677	↓ 26	0.09	70314
17 Oct	28669	28738	28643	95	28703	28703	↓ 15	0.00	78006
16 Oct	28755	28811	28662	149	28718	28718	↑ 260	0.91	97470
13 Oct	28395	28512	28389	123	28458	28458	↑ 20	0.07	77479
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

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
28811	28639	28811	27688	28225	27272	28811	21863
(16/Oct)	(18/Oct)	(16/Oct)	(03/Oct)	(19/Sep)	(28/Sep)	(16/Oct)	(03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	30250	High 05/Nov/2007
	30094	High 07/Des/2007
	29248	High 10/Des/2007
	28822	High 12/Des/2007
SUPPORT	28466	Low 16/Oct/2017
	28356	Low 13/Oct/2017
	28255	Low 09/Oct/2017
	28141	Low 04/Oct/2017
RECOMMENDATION	BUY	28635
	SELL	----
	STOP LOSS	28535
	TARGET	28785
		28835

CURRENCIES – *Daily Outlook*

Dollar dips after homebuilding data, on track to snap winning streak - Reuters News



The dollar reversed gains on Wednesday, losing steam after data showed U.S. homebuilding fell last month, and was on track to snap four days of gains, even as higher U.S. Treasury yields provided some support.

The dollar index, which tracks the greenback against six major currencies, was down 0.12 percent at 93.371, after rising as

high as 93.797. It was 0.61 percent higher against the Japanese yen at 112.87 yen.

U.S. homebuilding fell to a one-year low in September as Hurricanes Harvey and Irma disrupted the construction of single-family homes in the South, suggesting housing probably remained a drag on economic growth in the third quarter.

The dollar index may have hit technical resistance at around the 93.80 level, which could have restrained the currency's rise at least in the near term, Eric Vilorio, currency strategist at Wells Fargo Securities in New York, said.

"I think we are looking at generally consolidative movement in the U.S. dollar," he said.

Through Tuesday, the greenback had risen 0.53 percent over the last four sessions, boosted by rising U.S. treasury yields.

"It's all about the yields this week, so far," said Omer Esiner, chief market analyst at Commonwealth Foreign Exchange in Washington. "The dollar has drawn support from the broad move higher across the curve in U.S. bonds."

Benchmark 10-year U.S. Treasury yields hit a six-day high and 30-year bond yields hit a five-day high on Wednesday.

The outlook for continued policy normalization by the Fed and chatter about U.S. President Donald Trump possibly nominating a less dovish replacement for Janet Yellen as Fed Chair when her term expires in February, have helped boost yields, Esiner said.

Meanwhile, sterling dipped to a six-day low after data showed British wage growth was still lagging well behind inflation, feeding doubts over the Bank of England's interest rate outlook.

The pound fell as low as \$1.3141, before recovering ground to trade little changed on the day at \$1.3198.

The Canadian dollar rose against its U.S. counterpart, boosted by higher oil prices and data showing a surprise rise in domestic manufacturing sales. [\(Source Reuters, Research – @her1en\)](#)

EUR/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 18	1.17647	1.18042	1.17289	75,3	1.17858	↑ 20,6	1.17652
Oct 17	1.17960	1.17963	1.17351	61,2	1.17652	↓ 30,0	1.17952
Oct 16	1.18056	1.18184	1.17792	39,2	1.17952	↓ 22,7	1.18179
Oct 13	1.18298	1.18737	1.18041	69,6	1.18179	↓ 8,2	1.18261
Oct 12	1.18593	1.18785	1.18258	52,7	1.18261	↓ 31,4	1.18575

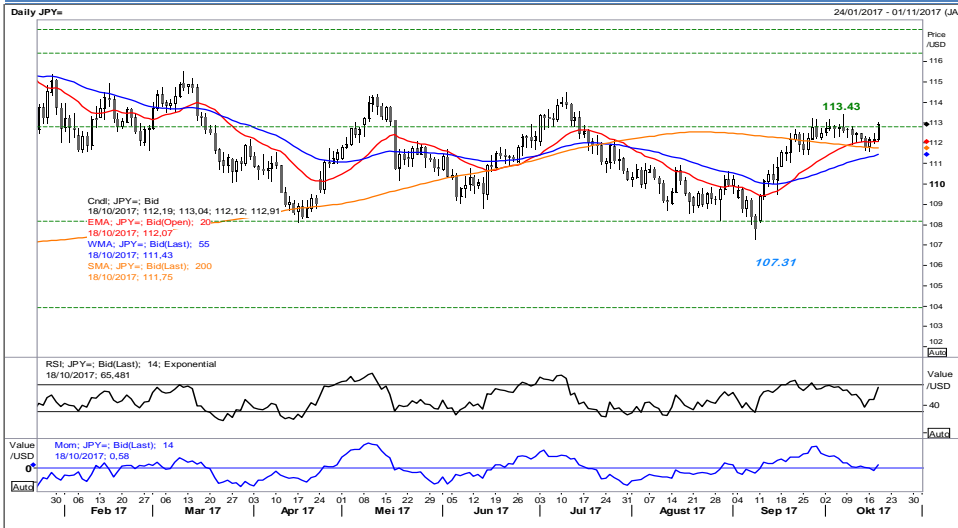
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.18184 (16/Oct)	1.17289 (18/Oct)	1.18785 (12/Oct)	1.16670 (06/Oct)	1.20915 (08/Sep)	1.17157 (27/Sep)	1.20915 (08/Sep)	1.0342 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.2092	High Sept 08
	1.2004	High Sept 22
	1.1960	High Sept 25
	1.1880	High Oct 12
SUPPORT	1.1729	Low Oct 18
	1.1667	Low Oct 06
	1.1477	Low Jul 20
	1.1369	Low Jul 13
RECOMMENDATION	BUY	1.1770
	SELL	-----
	STOP LOSS	1.1700
	TARGET	1.1850 1.1880

USD/JPY

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



- The bearish trend
 - RSI rebounded at the daily level
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 18	112.184	113.038	112.123	91,5	112.912	↑ 73,1	112.181
Oct 17	112.129	112.467	112.025	44,2	112.181	↑ 6	112.175
Oct 16	111.921	112.276	111.641	63,5	112.175	↑ 31,0	111.865
Oct 13	112.264	112.293	111.675	61,8	111.865	↓ 40,5	112.270
Oct 12	112.495	112.511	112.114	39,7	112.270	↓ 19,6	112.466

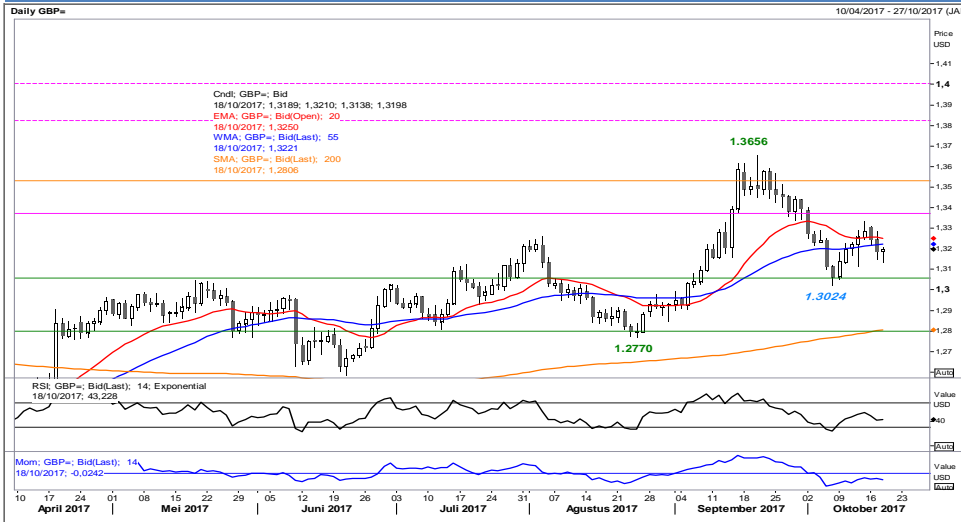
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
113.038 (18/Oct)	111.641 (16/Oct)	113.427 (03/Oct)	111.976 (10/Oct)	113.245 (27/Sep)	107.307 (08/Sep)	118.60 (03/Jan)	107.307 (08/Sep)

ANALYSIS & RECOMMENDATION

RESISTANCE	116.85	High 11/Jan/2017
	115.19	High 14/Mar/2017
	114.49	High 11/Jul/2017 (Peak)
	113.57	High 14/Jul/2017 (Reaction high)
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	112.60
	SELL	----
	STOP LOSS	111.90
	TARGET	113.40 113.90

GBP/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 18	1.31883	1.32111	1.31390	72,1	1.32033	↑ 18,2	1.31851
Oct 17	1.32498	1.32859	1.31536	132,3	1.31851	↓ 65,9	1.32510
Oct 16	1.32790	1.33105	1.32239	86,6	1.32510	↓ 42,4	1.32934
Oct 13	1.32615	1.33367	1.32468	89,9	1.32934	↑ 36,5	1.32569
Oct 12	1.32217	1.32895	1.31204	169,1	1.32569	↑ 38,9	1.32180

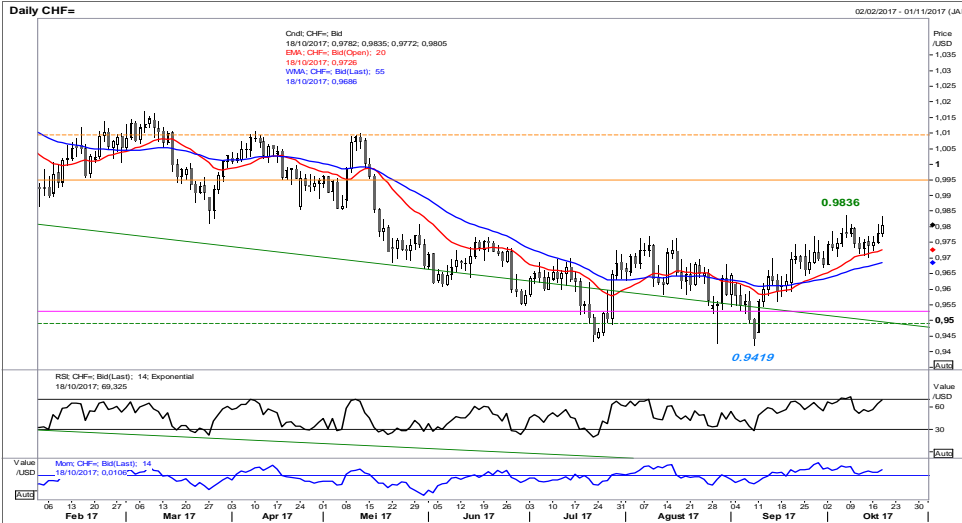
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.33105 (16/Oct)	1.31390 (18/Oct)	1.33969 (02/Oct)	1.30259 (06/Oct)	1.36565 (20/Sep)	1.29043 (01/Sep)	1.36565 (20/Sep)	1.1986 (16/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3595	High 22/Sep/2017
	1.3455	Reaction high Sept 28 (Daily)
	1.3402	High 02/Oct/2017
	1.3336	High 13/Oct/2017
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	1.3170
	SELL	----
	STOP LOSS	1.3070
	TARGET	1.3270 1.3320

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 18	0.97814	0.98353	0.97725	62,8	0.98148	↑ 32,2	0.97826
Oct 17	0.97500	0.98077	0.97469	60,8	0.97826	↑ 29,3	0.97533
Oct 16	0.97525	0.97680	0.97284	39,6	0.97533	↑ 9,9	0.97434
Oct 13	0.97498	0.97702	0.97038	66,4	0.97434	↓ 92,0	0.97526
Oct 12	0.97325	0.97625	0.97106	51,9	0.97526	↑ 22,0	0.97306

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.98353 (18/Oct)	0.97284 (16/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
	0.9861	High 17/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	0.9775
	SELL	----
	STOP LOSS	0.9700
	TARGET	0.9840 0.9875

AUD/USD

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



- The series drops to a low level in the daily movement
- The main resistance at 0.8124, support 0.7671
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 18	0.78439	0.78569	0.78179	39,0	0.78445	↑ 3	0.78442
Oct 17	0.78522	0.78597	0.78171	42,6	0.78442	↓ 4,8	0.78490
Oct 16	0.78763	0.78885	0.78418	46,7	0.78490	↓ 34,7	0.78837
Oct 13	0.78214	0.78960	0.78194	76,6	0.78837	↑ 69,6	0.78141
Oct 12	0.77871	0.78346	0.77870	47,6	0.78141	↑ 27,8	0.77863

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.78885 (16/Oct)	0.78171 (17/Oct)	0.78960 (13/Oct)	0.77318 (06/Oct)	0.81239 (08/Sep)	0.77984 (28/Sep)	0.81239 (08/Sep)	0.7182 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.8162	High May 14, 2015
	0.8124	High Sept 08
	0.8036	High Sept 21
	0.7948	High Sept 26
SUPPORT	0.7783	Low Oct 12
	0.7721	Low July 14
	0.7671	Low July 13
	0.7567	Low July 05
ECOMMENDATION	BUY	-----
	SELL	0.7855
	STOP LOSS	0.7915
	TARGET	0.7785 0.7755

NZD/USD

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



- Correction happens in daily movement
- Daily RSI is down
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 18	0.71699	0.71771	0.71179	59,2	0.71526	↓ 17,1	0.71697
Oct 17	0.71892	0.71968	0.71459	50,9	0.71697	↓ 1,3	0.71710
Oct 16	0.71707	0.71949	0.71610	33,9	0.71710	↓ 17,8	0.71888
Oct 13	0.71294	0.71955	0.71201	75,4	0.71888	↑ 58,3	0.71305
Oct 12	0.70869	0.71447	0.70852	59,5	0.71305	↑ 47,1	0.70834

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.71968	0.71179	0.72248	0.70545	0.74323	0.71446	0.75570	0.68166
(17/Oct)	(18/Oct)	(02/Oct)	(10/Oct)	(20/Sep)	(01/Sep)	(27/Jul)	(11/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7433	High Sept 20
	0.7374	High Sept 25
	0.7276	High Sept 26
	0.7243	High Sept 29
SUPPORT	0.7117	Low Oct 18
	0.7005	Low May 26
	0.6879	Low May 19
	0.6816	Low May 11
RECOMMENDATION	BUY	-----
	SELL	0.7175
	STOP LOSS	0.7240
	TARGET	0.7105 0.7075

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 18	131.983	133.254	131.944	131,0	133.095	↑ 110,7	131.988
Oct 17	132.271	132.345	131.816	52,9	131.988	↓ 33,0	132.318
Oct 16	132.131	132.359	131.632	72,7	132.318	↑ 11,9	132.199
Oct 13	132.813	132.910	132.113	79,7	132.199	↓ 58,4	132.783
Oct 12	133.415	133.459	132.739	72,0	132.783	↓ 60,2	133.385

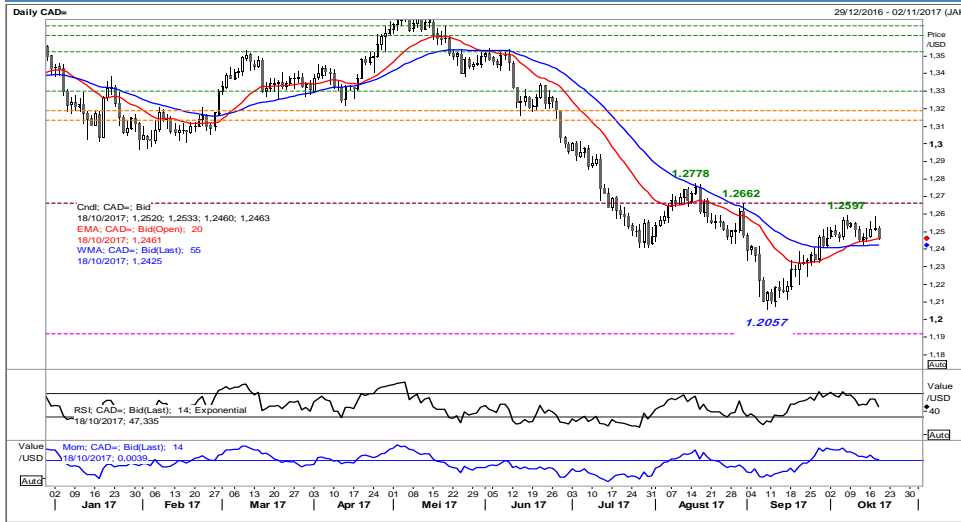
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
133.254 (18/Oct)	131.632 (16/Oct)	133.459 (12/Oct)	131.814 (05/Oct)	134.377 (22/Sep)	129.340 (06/Sep)	134.377 (22/Sep)	114.87 (17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	138.61	High 25/Aug/2015
	137.29	High 18/Sep/2015
	136.06	High 22/Oct/2015
	134.38	Reaction High 21/Sep/2017 (Daily)
SUPPORT	130.59	Low 15/Sep/2017
	129.34	Low 06/Sep/2017
	128.31	Low 22/Aug/2017
	127.54	Low 18/Aug/2017
RECOMMENDATION	BUY	132.90
	SELL	----
	STOP LOSS	132.30
	TARGET	133.60 133.90

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.
- [\(Research – rizal\)](#)

WEEKLY OPEN	CURRENT PRICE
1.2476	1.2457

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2590 (17/Oct)	1.2467 (16/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	1.2490
	STOP LOSS	1.2560
	TARGET	1.2420 – 1.2390

Precious Metal – *Daily Outlook*

Gold slips as dollar firms on speculation over Fed chief - Reuters News



Gold fell for a third straight session on Wednesday on pressure from the U.S. dollar's gains for much of the session and amid speculation that the next chair of the Federal Reserve could be a policy hawk.

Spot gold was down 0.3 percent at \$1,281.50 an ounce by 2:21 p.m. EDT (1821 GMT), having touched its lowest since Oct. 9 at \$1,276.73.

U.S. gold futures for December delivery settled down \$3.20 or 0.3 percent, at

\$1,283 per ounce.

As many as five people are in the running to be the next Fed chair, a source told Reuters on Tuesday.

"Interest rate hikes had not been fully priced in for next year. That has changed massively following speculation that (Fed Governor Jerome) Powell might become the next chairman," said Commerzbank analyst Carsten Fritsch.

Powell is expected to be the next Fed chairman, according to a slim majority of economists in a Reuters poll, though most of them said that incumbent Janet Yellen would be the best option.

The dollar rose to a 1-1/2-week high before turning lower as traders digested more details on U.S. President Donald Trump's tax overhaul.

U.S. tax reform is expected to stimulate economic growth and inflation, as is therefore seen as negative for gold.

The Fed meanwhile is widely expected to raise interest rates for the third time this year in December.

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

"With dollar strength in mind, it would present further risks to gold, but I'm waiting to see how the Catalonia crisis unfolds tomorrow, pinpointing a possible next move for gold, in either direction," said Jameel Ahmad, vice president of market research at FXTM.

Gold is often used as a store of wealth in times of political or economic uncertainty.

"The key support level for gold is \$1,275 ... and \$1,260 (per ounce) more importantly," said Bill O'Neill, partner at Logic Advisors in Upper Saddle River, New Jersey, referring to the 100-day moving average and an October low.

In other precious metals, silver was flat at \$17 an ounce after touching its lowest in more than a week.

Platinum slipped by 1 percent to \$920.90 an ounce, while palladium eased 2.14 percent at \$957.55 per ounce. [\(Source Reuters, Research – @her1en\)](#)

GOLD (XAU/USD)



- Resistance around 1334
 - Support area is around 1251
 - Daily RSI is down
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Oct 18	1284.800	1288.680	1276.800	11.88	1280.690	↓ 4.30	1284.990	1280.65	1280.20
Oct 17	1295.550	1296.110	1281.270	14.84	1284.990	↓ 9.96	1294.950	1289.70	1284.75
Oct 16	1302.250	1305.890	1290.240	15.65	1294.950	↓ 6.85	1301.800	1305.15	1303.30
Oct 13	1293.490	1302.590	1290.640	11.95	1301.800	↑ 8.47	1293.330	1293.90	1299.60
Oct 12	1291.700	1297.330	1289.520	7.81	1293.330	↑ 1.78	1291.550	1294.45	1290.25

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1305.890 (16/Oct)	1276.800 (18/Oct)	1305.890 (16/Oct)	1260.470 (06/Oct)	1357.380 (08/Sep)	1277.560 (28/Sep)	1357.380 (08/Sep)	1146.31 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1357.54	High Sept 08
	1334.36	High Sept 15
	1313.54	High Sept 26
	1296.28	High Oct 17
SUPPORT	1275.01	Low Oct 09
	1260.16	Low Oct 06
	1251.01	Low Aug 08
	1243.41	Low July 26
RECOMMENDATION	BUY	-----
	SELL	1282.00
	STOP LOSS	1291.00
	TARGET	1272.00 1267.00

SILVER (XAG/USD)



- With strong resistance at 17.85
 - While the crucial support area is around 16.30
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 18	17.016	17.089	16.889	0.20	16.982	↓ 0.03	17.013
Oct 17	17.229	17.235	16.950	0.29	17.013	↓ 0.20	17.210
Oct 16	17.368	17.448	17.089	0.36	17.210	↓ 0.14	17.347
Oct 13	17.224	17.375	17.161	0.21	17.347	↑ 0.12	17.225
Oct 12	17.155	17.246	17.099	0.15	17.225	↑ 0.07	17.151

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.448	16.889	17.448	16.316	18.199	16.614	18.63	14.334
(16/Oct)	(18/Oct)	(16/Oct)	(06/Oct)	(08/Sep)	(29/Sep)	(17/Apr)	(07/Jul)

ANALYSIS & RECOMMENDATION

RESISTANCE	17.85	High Sept 15
	17.62	High Sept 18
	17.46	High Oct 16
	17.24	High Oct 17
SUPPORT	16.87	Low Oct 17
	16.77	Low Oct 09
	16.30	Low Oct 06
	16.10	Low Aug 07
ECOMMENDATION	BUY	----
	SELL	17.05
	STOP LOSS	17.30
	TARGET	16.70
		16.50

OIL – Daily Outlook

Oil pares gains into settlement; U.S. fuel stockpiles rise - Reuters News



Oil prices settled slightly higher on Wednesday, with Brent touching three-week highs and then retreating after a surprising drop in U.S. refining rates and an unexpected build in fuel stocks signaled slower demand in the world's top oil consumer.

Brent crude futures settled up 27 cents to \$58.15 a barrel, off the three-week high of \$58.54 a barrel hit earlier on worries about

ongoing tensions around oil-rich Iraq and Iran.

U.S. West Texas Intermediate (WTI) crude futures settled 16 cents higher at \$52.04 a barrel.

U.S. crude inventories fell 5.7 million barrels last week, the Energy Information Administration said, exceeding analysts' expectations.

Refiners throttled down activity as the autumn maintenance season got underway, and refining rates fell 4.7 percentage points to 84.5 percent of total capacity, the seasonally slowest rate of output since 2011.

Inventories of gasoline and diesel rose, reviving concerns about elevated stockpiles during a time of slower demand.

"A setback in refinery utilization rates occurred as refiners undergo seasonal maintenance," said Anthony Headrick, energy market analyst at CHS Hedging LLC in Inver Grove Heights, Minnesota. "Builds in refined products and a setback in refined product demand provides weight to the energy complex."

Tensions in the Middle East supported oil prices. Iraq Kurdistan's oil exports more than halved as Iraqi military retook some big fields from Kurdistan's Peshmerga forces.

"It remains to be seen whether the Kurds, after withdrawing from the region they claim to be entitled to, will allow crude oil to be transported by pipeline across their territory to the Turkish Mediterranean port of Ceyhan," said analysts at Commerzbank.

Another notable Middle Eastern threat to oil supply is the ongoing dispute between the U.S. and Iran. U.S. President Donald Trump last week refused to certify Iran's compliance over a nuclear deal, leaving Congress 60 days to decide further action.

During the previous round of sanctions against Iran, 1 million barrels per day of oil were cut from global markets.

Ahead of OPEC's next official meeting, sources told Reuters its members were leaning toward extending an oil supply cut deal struck with Russia and other producers. Three OPEC sources said keeping curbs in place until the end of 2018 was likely; a fourth said an extension of six to nine months would be needed.

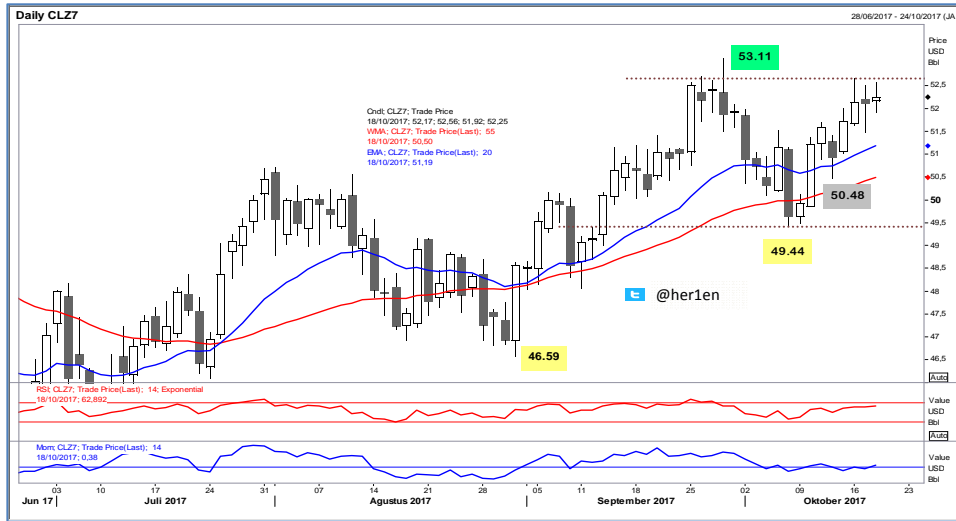
Executives in London noted the recent oil price rally has boosted hedging activity among U.S. shale producers, which could signal stepped-up production heading into 2018. This would further complicate OPEC's designs on steadily higher prices.

"Our U.S. colleagues are hedging like mad at \$56 a barrel so we will see another wave of investment in U.S. shale, no doubt about it," Patrick Pouyanne, CEO of oil major Total, said. U.S. small and mid-sized producers are ahead of the usual pace for hedging, which could imply more production, analysts said.

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

CLZ7/USD (OIL)

(Exp.: 20 Nov. 2017 - Reuters)



- Daily RSI is flat
 - Correction occurs in daily movement
 - Important resistance at 54.44, support at 48.12.
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 18 (CLZ7)	52.15	52.54	51.91	0.63	52.24	↑ 0.08	52.16
Oct 18 (CLX7)	51.92	52.31	51.68	0.63	52.01	↑ 0.08	51.93
Oct 17	51.90	52.23	51.20	1.03	51.93	↑ 0.02	51.91
Oct 16	51.42	52.35	51.36	0.99	51.91	↑ 0.50	51.41
Oct 13	50.71	51.70	50.69	1.01	51.41	↑ 0.69	50.72
Oct 12	50.97	51.11	50.14	0.97	50.72	↓ 0.29	51.01

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
52.54 (18/Oct)	51.20 (17/Oct)	52.54 (18/Oct)	49.09 (06/Oct)	52.84 (28/Sep)	46.55 (01/Sep)	55.22 (03/Jan)	42.04 (21/Jun)

ANALYSIS & RECOMMENDATION

RESISTANCE	54.94	High Feb 23
	54.44	High Mar 01
	53.99	High Apr 19
	52.86	High Sept 28
SUPPORT	51.35	Low Oct 16
	49.54	Low Oct 10
	48.12	Low Sept 13
	47.00	Low Sept 11
RECOMMENDATION	BUY	52.05
	SELL	-----
	STOP LOSS	51.15
	TARGET	53.55 54.05