

# 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

- Asian stocks were mostly steady on Wednesday after Wall Street again rose to record highs, although movements were limited as a wait-and-see mood prevailed before the Federal Reserve reveals its monetary policy stance later in the day.
- Deal-making and political turmoil in Spain livened up a flat session in Europe's stock markets on Wednesday as investors awaited pointers from the Federal Reserve on the U.S. interest rate outlook.
- U.S. Treasury yields and the dollar gained on Wednesday after the Federal Reserve signaled it expects one more U.S. interest rate hike by the end of the year.

### GLOBAL ECONOMIES

- Australia's labour market still has plenty of spare capacity, which is likely to cap wage growth and restrain inflation for some time yet, a senior central bank official said on Wednesday.
- Japanese Prime Minister Shinzo Abe pledged on Wednesday to implement "daring policies" targeting taxes, the budget and regulations to promote investment in Japan and also promised to push for further corporate governance reforms.
- Growth rates among the world's major economies are synchronising at levels not seen in years as the euro zone catches up with United States, the OECD said on Wednesday in an update of its forecasts.
- Greece's current account surplus rose in July compared to the same month a year ago due to a stronger services balance and a smaller income account deficit, the Bank of Greece said on Wednesday.
- British retail sales unexpectedly surged in August, boosting chances the Bank of England will raise interest rates for the first time in a decade at its next meeting.
- U.S. home resales fell to their lowest in a year in August as Hurricane Harvey depressed activity in Houston and a perennial shortage of properties on the market sidelined buyers.

### GLOBAL MARKETS

**Asia** – Asian stocks were mostly steady on Wednesday after Wall Street again rose to record highs, although movements were limited as a wait-and-see mood prevailed before the Federal Reserve reveals its monetary policy stance later in the day.

The caution in financial markets ahead of the Fed has kept some investors from making sharper adjustments to their positions despite potentially higher tensions over the Korean peninsula following hawkish statements from U.S. President Donald Trump overnight.

The Fed is due to announce its decision at 1800 GMT on Wednesday and is widely expected to keep rates unchanged after a two-day meeting but could begin paring its bond holdings, with reductions likely to start in coming months.

The financial markets will also sift through the "dot plot" representing Fed policymakers' rate projections for any hints of a rate hike in December.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.2 percent. Japan's Nikkei closed up 0.05 percent and Shanghai added 0.3 percent while Hong Kong's Hang Seng added 0.2 percent.

**Euro Zone** – Deal-making and political turmoil in Spain livened up a flat session in Europe's stock markets on Wednesday as investors awaited pointers from the Federal Reserve on the U.S. interest rate outlook.

While caution dominated the broader market, Spanish stocks were hit hard after police arrested Catalan government officials in a bid to halt a banned referendum on independence.

"Market are starting to realize how deep the crisis is (in Spain)," said Jesus Castillo, an economist covering Southern Europe for French bank Natixis.

Madrid's blue chip index, the best performer among major European benchmarks so far this year, fell 0.8 percent, underperforming the pan-European STOXX 600 which ended flat.

Among the biggest fallers in Madrid were Catalonia-headquartered banks Banco Sabadell and Caixabank, which fell 3.8 and 1.9 percent respectively. On the M&A front, Thyssenkrupp rose more than 2 percent after it and India's Tata Steel agreed to merge their European steel operations to create the continent's No.2 steelmaker.

Also in the spotlight was Fortum after the Finnish power company said it was in talks to buy German utility E.ON's remaining stake in Uniper, the power stations and trading business it spun off last year.

The news lifted shares in the three companies, which ended up between 2.7 percent and 5.9 percent.

In the banking sector, Commerzbank rallied 2.4 percent after a Reuters report said Italy's UniCredit had recently told Berlin it was interested in eventually merging with the state-backed German bank.

UniCredit fell more than 2 percent as the possible deal was seen as another strategy shift for Italian lender.

"While the higher exposure to Germany (and lower to Italy) could be considered appealing by some investors, the contradictory strategy would likely weaken the stock," a Societe Generale analyst said in a note to clients.

In the construction sector, German builder Hochtief fell 7 percent after media reports said it could launch a takeover for Spanish toll road operator Abertis on behalf of its parent ACS.

Britain's Kingfisher rose 5.6 percent after the home improvement retailer reported a better-than-expected profit for the first half.

By sector, banks were in particular focus, ending down 0.4 percent as investors awaited the result of the Fed meeting.

Banks, which have outperformed the broader market so far this year, generally benefit from higher interest rates.

"An interest rate rise would definitely be good for global banks ... there is over a 50 percent chance of one more rate rise in the U.S. before December," Rachel Winter, senior investment manager at Killik & Co, said.

**U.S. & Global Markets** – U.S. Treasury yields and the dollar gained on Wednesday after the Federal Reserve signaled it expects one more U.S. interest rate hike by the end of the year.

Both the Dow and S&P 500 fell following the Fed statement but reversed those losses to end the session slightly higher and add to a string of closing records.

In its statement that followed a two-day meeting, the Fed, as expected, left rates unchanged and said it would begin in October to reduce its approximately \$4.2 trillion in holdings of U.S. Treasury bonds and mortgage-backed securities.

Fed Chair Janet Yellen said in a press conference after the meeting that a fall in inflation this year remained a mystery and said the U.S. central bank was ready to change the rate outlook if needed.

Benchmark U.S. Treasury yields jumped to their highest in six weeks. Benchmark 10-year notes fell 9/32 in price to yield 2.27 percent, after yields got as far as 2.29 percent, the highest since Aug. 8.

Some traders and investors had thought the Fed might have struck a more dovish tone given the potential economic impact of recent severe hurricanes and still sluggish inflation.

The reaction in the Treasury market "suggests a lot of people maybe weren't anticipating the Fed would stick with the third rate hike expectation this year. So there's a little adjustment going on there," said David Joy, chief market strategist at Ameriprise Financial in Boston.

Interest rate futures traders are now pricing in a 68-percent chance of a December rate hike, up from around 60 percent before the statement, according to the CME Group's FedWatch Tool.

Financial shares added to gains following the statement, with the S&P 500 bank index ending up 0.7 percent, while utilities declined 0.8 percent.

The Dow Jones Industrial Average rose 41.79 points, or 0.19 percent, to end at 22,412.59, the S&P 500 gained 1.59 points, or 0.06 percent, to 2,508.24 and the Nasdaq Composite dropped 5.28 points, or 0.08 percent, to 6,456.04.

The Fed news is "kind of consistent with the view that the economy is doing OK, and as far as equity investors are concerned, another rate hike is not going to change that view," Joy said.

The pan-European FTSEurofirst 300 index lost 0.09 percent. MSCI's gauge of stocks across the globe gained 0.14 percent and hit another record high.

The dollar index rose 0.75 percent, with the euro down 0.03 percent to \$1.1888.

Stocks had been mostly flat ahead of the Fed statement, while the dollar had been slightly lower.

Gold fell 1 percent following the Fed news after trading slightly higher ahead of the release. Spot gold was down 0.76 percent at \$1,301.2 an ounce, trading back above \$1,300.

*(Source Reuters – @ErwinRiset - @her1en)*

## **GLOBAL ECONOMIES**

**Australia** – Australia's labour market still has plenty of spare capacity, which is likely to cap wage growth and restrain inflation for some time yet, a senior central bank official said on Wednesday.

Data out this month showed jobs blew past expectations to surge the most in two years in August, with more full-time work created than part-time.

Still, the unemployment rate was static at 5.6 percent as more people looked for work, an outcome that is weighing on wages growth and, in turn, inflation.

"We need to be focused on the global economy but if we had just two pieces of information, the other one would be how much slack there is in the Australian economy," Reserve Bank of Australia (RBA) head of economics Luci Ellis said at a business lunch in Sydney.

"Our assessment is there is still a fair bit of slack in the labour market."

She was responding to questions after a speech titled 'the current global expansion'.

The RBA has left interest rates at a record low 1.50 percent after last easing in August 2016 as it balances tepid inflation and wages growth against rising household debt.

Ellis declined to comment on questions about the outlook for monetary policy in Australia.

The RBA has sounded more optimistic about the economy recently as the labour market has made a remarkable turnaround since the beginning of this year.

Ellis said the unemployment rate needs to edge down to around 5 percent for the economy to run full throttle and generate wage pressures. But the RBA remains comfortable with the outlook for inflation and the time it might take to get back to target, Ellis added.

The RBA has forecast underlying inflation, currently around 1.8 percent, to reach the floor of its 2 to 3 percent target band by next year.

One risk to that forecast is the record-high household debt in Australia, which is a "potential exacerbating factor" in the event of an economic shock, Ellis said in her speech.

Indebtedness has increased as more Australians speculate in the property market, particularly in Sydney and Melbourne where home prices have broadly doubled since 2008.

Ellis noted that house price growth is showing signs of cooling, particularly in Sydney and Melbourne, although it was "still rising at a reasonably rapid clip."

According to property consultant CoreLogic, home prices in Sydney are rising at an annual 13 percent in Sydney and 12.7 percent in Melbourne.

**Japan** – Japanese Prime Minister Shinzo Abe pledged on Wednesday to implement "daring policies" targeting taxes, the budget and regulations to promote investment in Japan and also promised to push for further corporate governance reforms.

Abe offered no firm details of the promised reforms in a speech to investors at the New York Stock Exchange, but said he was "absolutely" confident his government could deliver changes that would offset a dwindling population and other challenges facing the world's third-largest economy.

"I intend to put forward daring policies unlike any that have come before," Abe said in prepared remarks to a gathering of investors at the New York Stock Exchange.

Abe has faced investor skepticism that "Abenomics" - a mixture of fiscal stimulus, monetary easing, and reforms he announced almost five years ago - can change the outlook for Japan's economy and new business ventures.

Abe said he wanted to create a "regulatory sandbox system" in Japan, allowing entrepreneurs to start new businesses without conforming to existing regulations for a period of time. He did not offer further details.

**Euro Zone** – Growth rates among the world's major economies are synchronising at levels not seen in years as the euro zone catches up with United States, the OECD said on Wednesday in an update of its forecasts. The global economy is set for growth this year of 3.5 percent before reaching 3.7 percent next year, up marginally from estimates in June and the best rate since 2011, the Organisation for Economic Cooperation and Development said.

"We've got some short-term momentum, it's become broad-based and one way to measure that is to look around the world and see nobody is contracting for the first time since 2008," OECD chief economist Catherine Mann said.

"We know that a synchronised upturn is an important signal for businesses to invest," Mann told Reuters in an interview.

The Paris-based policy forum raised its outlook for euro zone growth this year to 2.1 percent, up from 1.8 percent the last time the OECD issued forecasts and putting it on par with the United States, whose forecast of 2.1 percent was unchanged.

Erstwhile euro zone laggards France and Italy were among the main drivers for this brighter outlook. French growth this year was revised up

to 1.7 percent from 1.3 percent previously, while Italian growth was bumped up to 1.4 percent from 1.0 percent. Not even a 13-percent increase in the euro's strength against the dollar since the start of the year would knock back euro zone growth as firm global demand drove exports, Mann said.

**Greece** – Greece's current account surplus rose in July compared to the same month a year ago due to a stronger services balance and a smaller income account deficit, the Bank of Greece said on Wednesday.

The data showed the surplus at 1.569 billion euros (\$1.88 billion) from 1.356 billion euros in July 2016. Tourism revenues rose to 2.93 billion euros from 2.77 billion in the same month a year earlier.

"A year-on-year rise of 249 million euros in the surplus of the services balance is due to an improvement in all its main components, most importantly in the travel balance, the surplus of which widened by 169 million," the Bank of Greece said.

In July foreign arrivals and the corresponding revenues rose by 10.2 and 5.3 percent respectively year-on-year, the central bank said.

"The improvement in the primary income account is attributable, primarily, to lower net interest, dividend and profit payments," the central bank said.

In 2016 as a whole, Greece had a current account deficit of 1.1 billion euros versus a surplus of 206 million in 2015 as a result of a lower services balance surplus.

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CURRENT ACCOUNT (bln euros)	2017	2016
January	-0.271	-0.771
February	-0.937	-0.828
March	-1.324	-0.772
April	-0.462	-0.872
May	-0.582	-0.457
June	+0.842	+0.910
July	+1.569	+1.356

\* revised  
 source: Bank of Greece

**U.K.** – British retail sales unexpectedly surged in August, boosting chances the Bank of England will raise interest rates for the first time in a decade at its next meeting.

More downbeat news, however, came from a BoE survey which showed no sign that wages were likely to grow much more quickly, tempering a jump in sterling.

The Organisation for Economic Co-operation and Development, meanwhile, said uncertainty about Brexit meant Britain next year will suffer its slowest growth since the financial crisis.

The contrasting signals underscored the challenge for the BoE which last week surprised investors by saying it was likely to raise rates in the coming months if the economy and inflation pressures strengthen as expected.

That change of gear by the BoE came despite the uncertainty about Britain's withdrawal from the European Union and mixed messages about the strength of the economy.

Wednesday's official data showed a sharp pick-up in monthly sales growth in August, despite inflation pressures that have previously squeezed spending.

Retail sales volumes rose 1.0 percent month-on-month, their fastest since April, to give an annual growth of 2.4 percent, both well above the highest forecasts in a Reuters poll.

More Britons holidaying at home and more foreign visitors, reflecting the weaker pound since the Brexit vote, could be behind some of the rise, economists said.

Shoppers spent heavily on non-essentials, despite rising prices, with strong demand for watches and jewellery.

"These latest figures will give further encouragement to the Bank of England to follow up their recent statements on the need to raise interest rates," Andrew Sentance, a former BoE policymaker who now advises accountants PwC, said.

HSBC said market pricing for a quarter-point rate rise on Nov. 2, after the BoE's next meeting, rose to 65 percent.

Sterling gained almost a cent against the U.S. dollar after the data, before later giving back most of its gains.

British retail data is frequently volatile on a monthly basis and a separate survey released by the BoE on Wednesday offered a more downbeat picture.

Construction and consumer-facing industries were suffering and there were mixed signals on investment, although factory exports and business-to-business services were strong.

Pay rises mostly remained at 2-3 percent, below inflation but there were some signs that the worst of the impact on prices of last year's fall in the pound should start to ease.

**U.S.** – U.S. home resales fell to their lowest in a year in August as Hurricane Harvey depressed activity in Houston and a perennial shortage of properties on the market sidelined buyers.

The National Association of Realtors said on Wednesday existing home sales decreased 1.7 percent to a seasonally adjusted annual rate of 5.35 million units last month. That was the lowest level since August 2016.

July's sales pace was unrevised at 5.44 million units. Economists had forecast sales rising 0.3 percent to a 5.46 million-unit rate.

The NAR said Harvey, which struck Texas in the last week of August, had resulted in sales in Houston declining 25 percent on a year-on-year basis. Stripping out Houston, existing home sales would have been unchanged in August.

Home resales in the South tumbled 5.7 percent last month. Harvey, and a second hurricane, Irma, which slammed Florida early this month could hurt September home resales. Texas and Florida account for more than 18 percent of existing home sales. Sales lost because of delays in closing contracts will be recouped in 2018, the Realtors group said.

U.S. financial markets were little moved by the data as traders awaited the conclusion of the Federal Reserve's two-day policy meeting later on Wednesday.

The U.S. central bank is expected to announce a plan to start shrinking its \$4.2 trillion portfolio of Treasury bonds and mortgage-backed securities, accumulated as the Fed sought to stimulate the economy following the 2008 financial crisis. [\(Source Reuters, Research – @her1en\)](#)

## WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
13-Sep - 18-Sep	N/A	CN	Foreign Direct Investment YoY CNY	Aug	-0.2%	--	-1.2%	
<b>Mon/18-Sep-17</b>	15:30	HK	Unemployment Rate SA	Aug	3.1%	--	3.1%	
	16:00	EZ	CPI MoM	Aug	0.3%	0.3%	-0.5%	
	16:00	EZ	CPI YoY	Aug F	1.5%	1.5%	1.3%	
	16:00	EZ	CPI Core YoY	Aug F	1.2%	1.2%	1.2%	
	22:00	GB	BOE Governor Carney Speaks at IMF in Washington, DC					
<b>Tue/19-Sep-17</b>	01:15	CA	Speech by Bank of Canada Deputy Governor Tim Lane					
	04:00	KR	PPI YoY	Aug	-	--	3.0%	
	05:00	NZ	Westpac Consumer Confidence	3Q	112.4	--	113.4	
	08:30	AU	RBA Sept. Rate Meeting Minutes					
	N/A	HK	Composite Interest Rate	Aug	-	--	0.31%	
	16:00	EZ	ZEW Survey Expectations	Sep	31.7	--	29.3	
	16:00	DE	ZEW Survey Current Situation	Sep	87.9	86.2	86.7	
	16:00	DE	ZEW Survey Expectations	Sep	17	12	10	
	19:30	US	Housing Starts	Aug	1180k	1174k	1155k	1190k
	19:30	US	Housing Starts MoM	Aug	-0.8%	1.7%	-4.8%	
	19:30	US	Building Permits	Aug	1300k	1220k	1223k	1230k
	19:30	US	Building Permits MoM	Aug	5.7%	-0.8%	-4.1%	3.5%
<b>Wed/20-Sep-17</b>	06:50	JP	Trade Balance	Aug	¥113.6b	¥104.4b	¥418.8b	¥421.7b
	06:50	JP	Trade Balance Adjusted	Aug	¥367.3b	¥404.7b	¥337.4b	¥363.1b
	06:50	JP	Exports YoY	Aug	18.1%	14.3%	13.4%	
	06:50	JP	Imports YoY	Aug	15.2%	11.6%	16.3%	
	10:05	AU	RBA's Ellis Gives Speech in Sydney					
	13:00	DE	PPI MoM	Aug	0.2%	0.1%	0.2%	
	13:00	DE	PPI YoY	Aug	2.6%	2.5%	2.3%	
	15:30	GB	Retail Sales Ex Auto Fuel MoM	Aug	1.0%	0.1%	0.5%	0.7%
	15:30	GB	Retail Sales Ex Auto Fuel YoY	Aug	2.8%	1.4%	1.5%	1.7%
	15:30	GB	Retail Sales Inc Auto Fuel MoM	Aug	1.0%	0.2%	0.3%	0.6%
	15:30	GB	Retail Sales Inc Auto Fuel YoY	Aug	2.4%	1.1%	1.3%	1.4%
	21:00	US	Existing Home Sales	Aug	5.35m	5.45m	5.44m	
	21:00	US	Existing Home Sales MoM	Aug	-1.7%	0.2%	-1.3%	
	21:30	US	DOE U.S. Crude Oil Inventories	Sep-15	4591k	3900k	5888k	
	21:30	US	DOE Cushing OK Crude Inventory	Sep-15	703k	--	1023k	
	21:30	US	DOE U.S. Gasoline Inventories	Sep-15	-2125k	-2125k	-8428k	
	21:30	US	DOE U.S. Distillate Inventory	Sep-15	-5693k	-1950k	-3215k	
<b>Thu/21-Sep-17</b>	01:00	US	FOMC Rate Decision (Upper Bound)	Sep-20	1.25%	1.25%	1.25%	
	01:00	US	FOMC Rate Decision (Lower Bound)	Sep-20	1.00%	1.00%	1.00%	
	05:45	NZ	GDP SA QoQ	2Q	0.8%	0.8%	0.5%	0.6%
	05:45	NZ	GDP YoY	2Q	2.5%	2.5%	2.5%	
	N/A	JP	BOJ Policy Balance Rate	Sep-21		--	-0.1%	
	N/A	JP	BOJ 10-Yr Yield Target	Sep-21		--	0.0%	
	N/A	JP	BOJ Monetary Policy Statement					
	N/A	AU	RBA Governor Lowe Gives Speech in Perth					
	11:30	JP	All Industry Activity Index MoM	Jul		--	0.4%	
	12:45	CH	SECO September 2017 Economic Forecasts					
	13:00	CH	Trade Balance	Aug		--	3.51b	
	13:00	CH	Exports Real MoM	Aug		--	-1.7%	
	13:00	CH	Imports Real MoM	Aug		--	-1.0%	
	13:30	JP	BOJ Kuroda speaks at press conference after MPM					
	15:00	EZ	ECB Publishes Economic Bulletin					
	15:30	HK	CPI Composite YoY	Aug		--	2.0%	
	15:30	GB	Public Finances (PSNCR)	Aug		--	-3.9b	
	15:30	GB	Central Government NCR	Aug		--	-6.9b	
	15:30	GB	Public Sector Net Borrowing	Aug		6.4b	-0.8b	

	15:30	GB	PSNB ex Banking Groups	Aug		7.1b	-0.2b	
	19:30	US	Initial Jobless Claims	Sep-16		302k	284k	
	19:30	US	Continuing Claims	Sep-09		1975k	1944k	
	19:30	US	Philadelphia Fed Business Outlook	Sep		17.5	18.9	
	21:00	EZ	Consumer Confidence	Sep A		-1.5	-1.5	
	21:00	US	Leading Index	Aug		0.2%	0.3%	
<b>Fri/22-Sep-17</b>	14:30	DE	Markit/BME Germany Manufacturing PMI	Sep P		--	59.3	
	14:30	DE	Markit Germany Services PMI	Sep P		--	53.5	
	14:30	DE	Markit/BME Germany Composite PMI	Sep P		--	55.8	
	15:00	EZ	Markit Eurozone Manufacturing PMI	Sep P		--	57.4	
	15:00	EZ	Markit Eurozone Services PMI	Sep P		--	54.7	
	15:00	EZ	Markit Eurozone Composite PMI	Sep P		--	55.7	
	N/A	EZ	EU Foreign Ministers Hold Informal Meeting in Bratislava					
	N/A	GB	United Kingdom Sovereign Debt to be rated by Moody's					
	17:00	US	Fed's Williams Speaks to Media at Swiss National Bank Event					
	19:30	CA	CPI NSA MoM	Aug		--	0.0%	
	19:30	CA	CPI YoY	Aug		--	1.2%	
	19:30	CA	Consumer Price Index	Aug		--	130.4	
	19:30	CA	CPI Core- Common YoY%	Aug		--	1.4%	
	19:30	CA	CPI Core- Trim YoY%	Aug		--	1.3%	
	19:30	CA	CPI Core- Median YoY%	Aug		--	1.7%	
	19:30	CA	Retail Sales MoM	Jul		--	0.1%	
	19:30	CA	Retail Sales Ex Auto MoM	Jul		--	0.7%	
	20:30	US	Fed's George Speaks at Conference on Outlook for Oil					
	20:45	US	Markit US Manufacturing PMI	Sep P		--	52.8	
	20:45	US	Markit US Services PMI	Sep P		--	56	
	20:45	US	Markit US Composite PMI	Sep P		--	55.3	
<b>Sat/23-Sep-17</b>	00:30	US	Fed's Kaplan Speaks at Dallas/Kansas City Fed Oil Conference					
	00:00	US	Baker Hughes U.S. Rig Count	Sep-22		--	936	

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



## ASIAN STOCK INDICATORS – Daily Outlook

**Japanese stocks** were nearly flat on Wednesday after scaling highs not seen in more than two years on Tuesday, while investors stayed cautious before the U.S. Federal Reserve's policy meeting which ends later in the day. The Nikkei edged up 0.1 percent to 20,310.46, after moving little throughout the day. On Tuesday, the index soared 2.0 percent to hit the highest level since August 2015 supported by a weaker yen and hopes for a snap election. Traders said investors stayed on the sidelines as they awaited signals from the Fed on when it will hike rates again and start shrinking its balance sheet.

The U.S. central bank is expected to announce when it will begin paring its bond holdings, and while a September interest rate increase is not expected, investors will closely study Fed Chair Janet Yellen's views on inflation for clues to whether the Fed will raise rates in December.

"If the Fed hints at a rate hike in December, the Nikkei will likely rise further helped by the dollar's rise against the yen. Whether the U.S. yields will rise or not is also in focus," said Masayuki Kubota, chief strategist at Rakuten Securities.

He added that Japanese stocks tended to move in line with U.S. yields. If they rose then Japanese financial companies that invested in high-yielding products such as foreign bonds were also likely to gain.

Traders noted that the Japanese market should be supported by expectations for a snap election that is expected on Oct. 22, but has not been formally called. The broader Topix was flat at 1,667.92.

**The South Korean** won edged up on Wednesday but a cautious mood prevailed in the markets as investors focused on an outcome from the Federal Reserve's September policy meeting due later on Wednesday.

The won was quoted at 1,128.3 to the dollar at the conclusion of onshore trade, up 0.3 percent versus Tuesday's close of 1,131.3.

South Korean shares ended weaker as foreign investors sold off local equities later in the session to take profits before Fed's policy decision.

Offshore investors cut a net 188.1 billion won (\$166.84 million) worth of KOSPI shares from their portfolios on Wednesday, with the Korea Composite Stock Price Index closing 0.2 percent down at 2,412.20 points.

**Hong Kong shares** rose on Wednesday, with the benchmark index hovering around 28-month highs, as shares of Chinese metal producers continued to rally. The Hang Seng index rose 0.3 percent to 28,127.80 points, while the China Enterprises Index gained 0.4 percent to 11,173.51.

Gains in the broader market were capped by caution ahead of a U.S. Federal Reserve policy decision later in the day (1800 GMT). The Fed is widely expected to keep rates unchanged after a two-day meeting but could begin paring its massive bond holdings, with reductions likely to start in coming months.

But the raw materials sector jumped nearly 4 percent as commodity prices rose on expectations that China's sweeping anti-pollution campaign would continue to push up prices of metals such as steel, aluminium and lead.

Property shares dipped, however, as investors took profits on recent gains, and after China's central bank said late on Tuesday it supports a move by some banks to increase mortgage rates in the Beijing market.

**China stocks** edged higher on Wednesday, bolstered by strong gains in consumer stocks and "new energy" car manufacturers, with sentiment propped up improving business confidence and expectations that Beijing will maintain stability in financial markets ahead of a key party congress.

The blue-chip CSI300 index rose 0.3 percent, to 3,842.44 points, while the Shanghai Composite Index also gained 0.3 percent to 3,366.00 points.

Both indexes have been trading narrowly over the past three weeks.

Chinese President Xi Jinping has told security officials ahead of next month's key Congress of the ruling Communist Party that stability is an absolute principle that needs to be dealt with using "strong hands".

Beijing typically intervenes via state-backed investment funds and window guidance to brokerages and fund managers.

Meanwhile, UBS Securities published a survey suggesting Chinese business leaders overall hold a positive outlook for the next six months, with the majority of firms planning to increase capital expenditure over the next year.

Material firms and consumer stocks led the gains as investors expect the upcoming Golden Week to boost consumer demand.

Real estate shares were subdued, after the central bank backed mortgage rate hikes in Beijing. *(Source Reuters, Research: @ErwinRiset)*

### ASIA AND GLOBAL MARKET SPOT PRICE 2016

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	309.32 (29/May/2017)	31958.41 (30/Oct/07)	21169.11 (01/Mar/2017)	2400.98 (01/Mar/2017)	6124.04400 (16/Oct/07)
<b>2016 HIGH</b>	19592.90 (21/Dec/16)	264.42 (21/Dec/16)	24364.00 (09/Sep/16)	19987.63 (20/Dec/16)	2277.53 (13/Dec/16)	3538.68940 (04/Jan/16)
<b>2017 HIGH</b>	<b>20339.37</b> <b>(20/Sep/2017)</b>	322.16 (25/Jul/2017)	28248.12 (19/Sep/2017)	<b>22413.26</b> <b>(20/Sep/2017)</b>	<b>2508.85</b> <b>(20/Sep/2017)</b>	3391.64350 (14/Sep/2017)
<b>2017 LOW</b>	18224.68 (17/Apr/2017)	258.64 (02/Jan/2017)	21883.82 (03/Jan/2017)	19677.94 (19/Jan/2017)	2245.13 (03/Jan/2017)	3016.53050 (11/May/2017)
<b>2016 LOW</b>	14864.01 (24/Jun/16)	222.92 (20/Jan/16)	18278.80 (12/Feb/16)	15450.56 (20/Jan/16)	1810.10 (11/Feb/16)	2638.30160 (27/Jan/16)
<b>RECORD LOW</b>	85.25 (06/Jul/50)	31.96 (16/Jun/98)	58.61 (31/Aug/67)	388.20 (17/Jan/55)	132.93 (23/Nov/82)	325.92200 (29/Jul/94)

### Closing Prices – 20 September 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	22412.59	↑ 41.79/ 0.19%	.N225	20310.46	↑ 11.08/0.05%
/.SPX	2508.24	↑ 1.59/ 0.06%	.KS200	318.48	↓ 0.03/0.01%
/.IXIC	6456.044	↓ 5.279/ 0.08%	.HSI	28127.80	↑ 76.39/0.27%
JPY=	112.21	↑ 0.63/ 0.56%	/.SSEC	3366.36620	↑ 9.52160/0.28
KRW=	1130.79	↑ 0.61/ 0.05%	/Clc1 (Oil)	50.41	↑ 0.93/ 1.88

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



- Consecutive higher lows formation support a bullish signal
  - Rally tests and breaks 20200 and currently facing the resistance area at 20290
  - Beware of RSI in the overbought zone
  - The crucial support at 19820 - 19750
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
20 Sep SSIpmZ7	20135	20285	20120	165	20275	---	↑ 140	0.70	15870
20 Sep SSIamZ7	20125	20220	20125	95	20135	20135	↑ 25	0.12	47311
19 Sep SSIpmZ7	20120	20160	20075	85	20135	---	↑ 25	0.12	20330
19 Sep SSIamZ7	19970	20180	19965	215	20110	20110	↑ 165	0.83	71523
18 Sep SSIpmZ7	19955	20000	19920	80	19995	---	↑ 50	0.25	7915
18 Sep SSIamZ7	19875	19960	19865	95	19950	19945	↑ 170	0.86	6980
15 Sep SSIpmZ7	19795	19895	19775	120	19850	---	↑ 70	0.35	21349
15 Sep SSIamZ7	19645	19795	19635	160	19780	19780	↑ 110	0.56	57592
14 Sep SSIpmZ7	19670	19750	19650	100	19725	---	↑ 50	0.25	18840
14 Sep SSIamZ7	19710	19775	19650	125	19670	19670	↓ 35	0.18	48505

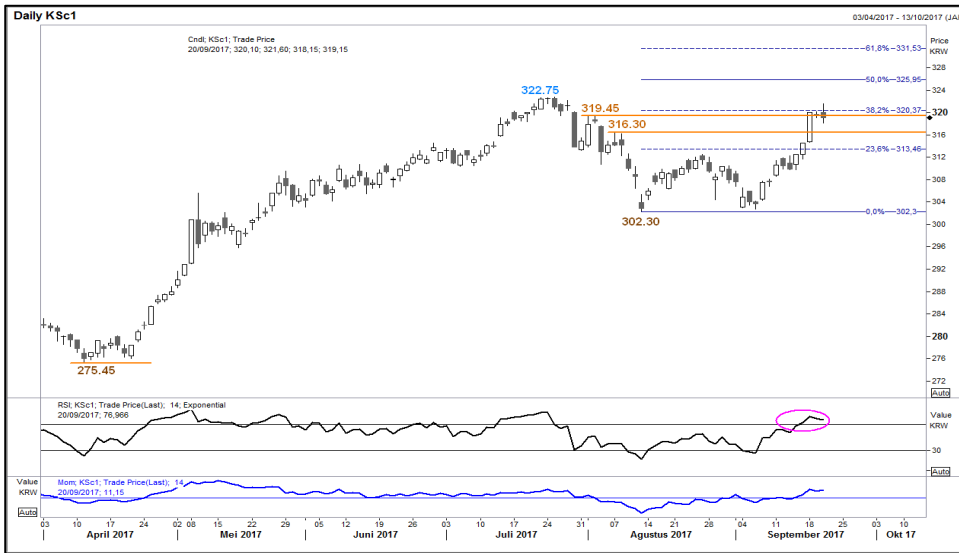
WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
20285	19865	20285	19085	20100	19140	20290	18190
(20/Sep)	(18/Sep)	(20/Sep)	(08/Sep)	(02/Aug)	(29/Aug)	(20/Jun)	(17/Apr)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	20680	High 18/Aug/2015 (Reaction high)
	20565	High 19/Aug/2015
	20340	High 20/Aug/2015
	20290	High 20/Jun/2017 (Peak)
<b>SUPPORT</b>	20075	Reaction low (hourly)
	19915	Reaction low (hourly)
	19750	Crucial level (hourly)
	19635	Reaction low (hourly)
<b>RECOMMENDATION</b>	BUY	20180
	SELL	----
	STOP LOSS	20050
	TARGET	20320
		20390



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



- Moves fluctuating around area of 319.45 after rebound failed to breakout 322
- RSI in the overbought zone
- Support area at 318.50 - 316.30  
[\(Research – @ErwinRiset\)](#)

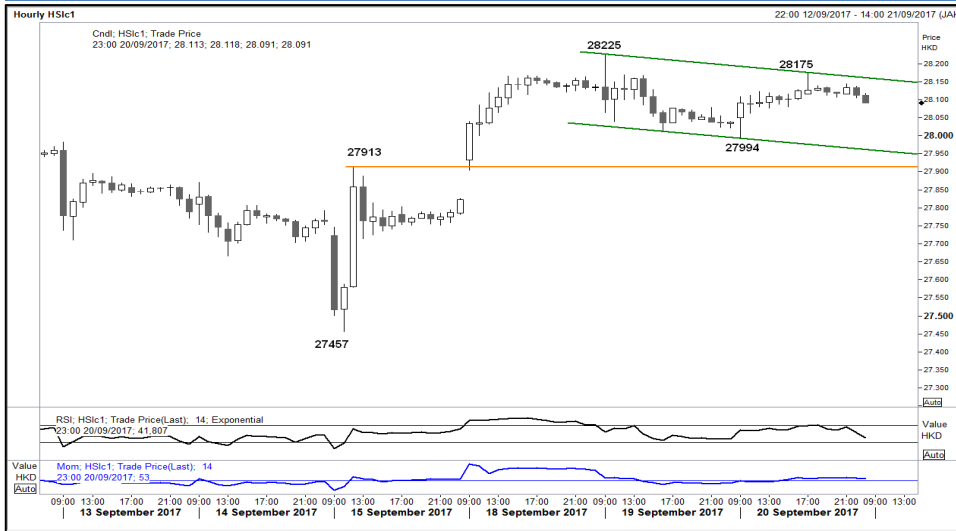
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
20 Sep	320.10	321.60	318.15	3.45	319.15	319.15	↓ 0.25	0.08	181751
19 Sep	319.65	320.20	319.10	1.10	319.40	319.40	↓ 0.65	0.20	125392
18 Sep	314.85	320.05	314.65	5.40	320.05	320.05	↑ 5.50	1.75	208085
15 Sep (KSZ6)	312.55	314.60	311.75	2.85	314.55	314.55	↑ 0.95	0.30	194080
14 Sep (KSZ6)	311.70	313.60	310.90	2.70	313.60	313.60	↑ 2.75	0.88	90892
14 Sep (KSU6)	310.75	311.70	309.75	1.95	311.60	312.52	↑ 1.70	0.55	223114

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
321.60 (20/Sep)	314.65 (18/Sep)	321.60 (20/Sep)	302.70 (06/Sep)	319.45 (01/Aug)	302.30 (11/Aug)	322.75 (25/Jul)	259.25 (02/Jan)

#### ANALYSIS & RECOMMENDATION

RESISTANCE	325.95	50% Fib. Projection
	322.75	High 25/Jul/2017 (Peak)
	322.15	High 27/Jul/2017 (Reaction high)
	321.60	High 20/Sep/2017
SUPPORT	318.15	Low 20/Sep/2017
	316.30	Pivot line
	314.65	Low 18/Sep/2017
RECOMMENDATION	311.75	Low 15/Sep/2017
	BUY	----
	SELL	320.30
	STOP LOSS	321.70
TARGET		318.05
		316.95

## HSIU7 (Hang Seng September Futures) – Exp. Date: 28 Sep 2017



- Moves in trend channel and has a bearish chance as long as the resistance area at 28175 remains intact
  - Short-term support at 28000 - 27900
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
20 Sep	28050	28129	27994	135	28124	28124	↑ 89	0.32	83322
19 Sep	28135	28225	28014	211	28035	28035	↓ 126	0.45	109293
18 Sep	27933	28168	27904	264	28161	28161	↑ 385	1.39	102184
15 Sep	27723	27913	27457	456	27776	27776	↓ 2	0.01	153184
14 Sep	27810	27870	27666	204	27778	27778	↓ 85	0.31	96590
13 Sep	27960	27983	27711	272	27863	27863	↓ 64	0.23	95390
12 Sep	28006	28034	27857	177	27927	27927	↓ 14	0.05	96432

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
28225	27904	28225	27350	28071	26834	28225	21863
(19/Sep)	(18/Sep)	(19/Sep)	(06/Sep)	(28/Aug)	(11/Aug)	(19/Sep)	(03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	28517	61.8% Fib. Projection
	28458	High 27/May/2015
	28225	High 19/Sep/2017
	28175	Reaction high (hourly)
<b>SUPPORT</b>	27913	Pivot line (hourly)
	27751	Reaction low (hourly)
	27457	Low 15/Sep/2017
	27350	Low 06/Sep/2017
<b>RECOMMENDATION</b>	BUY	----
	SELL	28150
	STOP LOSS	28230
	TARGET	27950 27850

## CURRENCIES – Daily Outlook

### Dollar rises as Fed hints at December rate hike - Reuters News



The dollar rose broadly on Wednesday, hitting a two-month high versus the yen, as the Federal Reserve signaled it may raise interest rates for a third time this year even as inflation has remained below its 2 percent goal.

The U.S. central bank also said after a two-day meeting it will begin reduction of the Fed's \$4.5 trillion balance sheet in October by allowing small amounts of Treasuries and mortgage-backed securities to run off.

"Right now, the market sees the Fed more hawkish than anticipated," said Tim Alt, director of currencies and rates at Aviva Investors.

Some traders had thought catastrophic damage from Hurricanes Harvey and Irma in Texas and Florida might force the Fed to postpone a rate increase until next year.

The Fed raised rates by a quarter point in March and June and its current target range is now at 1.00-1.25 percent.

"The Fed didn't alter this time to the market's outlook. This time the market adjusted to the Fed's outlook," said Brent Schutte, chief investment strategist with Northwestern Mutual Wealth Management Co.

The futures market implied traders saw a 73 percent chance of the Fed raising rates at its Dec. 12-13 meeting, up from 52 percent before the Fed's latest policy statement and forecast, CME Group's FedWatch tool showed.

The dollar index, which tracks the greenback against six major currencies, was modestly lower before turning higher on the Fed's forecast for one more rate hike in 2017. It was up 0.7 percent for its biggest one-day increase since Aug. 4 at 92.426.

The euro slid 0.8 percent to \$1.1894, its lowest in four sessions, while the greenback gained 0.5 percent to 112.17 yen after touching a two-month high at 112.51 yen, Reuters data showed.

Among emerging market currencies, the Mexican peso recovered from Tuesday's losses spurred by the second deadly earthquake to strike the country in two weeks.

The Mexican currency ended up 0.2 percent at 17.76 peso per dollar, reversing the prior day's 0.2 percent decline.

The New Zealand dollar gained 0.6 percent to \$0.7360 after reaching its highest level in 6-1/2 weeks as one poll showed the country's National Party pulled ahead of the rival Labour Party ahead of a general election this weekend.

Support for the National Party jumped 6 points to 46 percent, according to the One News-Colmar Brunton opinion poll, while support for the opposition Labour party slumped by seven points to 37 percent.

*(Source Reuters, Research – @her1en)*

## EUR/USD

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



- With support area at 1.1729
  - Crucial resistance around 1.2108
  - Daily RSI is flat
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 20	1.19943	1.20326	1.18601	172,5	1.18894	↓ 101,7	1.19911
Sep 19	1.19504	1.20054	1.19498	55,6	1.19911	↑ 42,2	1.19489
Sep 18	1.19416	1.19682	1.19138	54,4	1.19489	↑ 8,7	1.19402
Sep 15	1.19136	1.19863	1.18997	86,6	1.19402	↑ 23,5	1.19167
Sep 14	1.18864	1.19210	1.18366	84,4	1.19167	↑ 35,3	1.18814

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.20326 (20/Sep)	1.18601 (20/Sep)	1.20915 (08/Sep)	1.18366 (14/Sep)	1.20693 (29/Aug)	1.16611 (17/Aug)	1.20915 (08/Sep)	1.0342 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.2254	High Dec 25, 2014
	1.2108	High Jan 02, 2015
	1.2092	High Sept 08
	1.2039	High Sept 11
SUPPORT	1.1836	Low Sept 14
	1.1771	Low Aug 25
	1.1729	Low Aug 21
	1.1661	Low Aug 17
RECOMMENDATION	BUY	1.1870
	SELL	-----
	STOP LOSS	1.1795
	TARGET	1.1950 1.1980

## USD/JPY

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



- Rebound tests and breaks the psychological level of 112, hit high 112.52
- Rebound faces the resistance area at 113.57
- While the crucial support area is around 111  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 20	111.565	112.518	111.094	142,4	112.228	↑ 65,7	111.571
Sep 19	111.542	111.868	111.189	67,9	111.571	↓ 1,7	111.588
Sep 18	111.022	111.650	110.010	164,0	111.588	↑ 73,2	110.856
Sep 15	110.225	111.322	109.536	178,6	110.856	↑ 59,3	110.263
Sep 14	110.484	111.027	110.051	97,6	110.263	↓ 20,4	110.467

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
112.518 (20/Sep)	110.010 (18/Sep)	112.518 (20/Sep)	107.307 (08/Sep)	111.038 (04/Aug)	108.256 (29/Aug)	118.60 (03/Jan)	107.307 (08/Sep)

### ANALYSIS & RECOMMENDATION

RESISTANCE	115.19	High 14/Mar/2017 (Reaction high)
	114.49	High 11/Jul/2017 (Peak)
	113.57	High 14/Jul/2017 (Reaction high)
	112.86	High 17/Jul/2017
SUPPORT	110.87	Low 18/Sep/2017
	109.54	Low 15/Sep/2017 (Reaction low)
	109.23	Low 12/Sep/2017
	108.12	Low 11/Sep/2017
RECOMMENDATION	BUY	111.70
	SELL	----
	STOP LOSS	110.80
	TARGET	112.65
		113.10

## GBP/USD

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



- Reversal sharply after hit high at 1.3656
- Correction facing crucial support at 1.3445 in RSI condition was overbought  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 20	1.35045	1.36565	1.34506	205,9	1.34922	UNCH	1.34922
Sep 19	1.34953	1.35505	1.34673	83,2	1.34922	↑ 2,3	1.34899
Sep 18	1.35804	1.36175	1.34638	153,7	1.34899	↓ 82,5	1.35724
Sep 15	1.33966	1.36154	1.33805	234,9	1.35724	↑ 178,2	1.33942
Sep 14	1.32042	1.34045	1.31522	252,3	1.33942	↑ 188,7	1.32055

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.36565 (20/Sep)	1.34638 (18/Sep)	1.36565 (20/Sep)	1.29043 (01/Sep)	1.32665 (03/Aug)	1.27728 (24/Aug)	1.36565 (20/Sep)	1.1986 (16/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.5097	High 16/Dec/2017
	1.5018	High 24/Jun/2016 (Peak)
	1.4010	Pivot line
	1.3656	High 20/Sep/2017
SUPPORT	1.3445	Crucial Support
	1.3379	Low 15/Sep/2017
	1.3264	Pivot line (Daily)
	1.3158	Low 11/Sep/2017 (Reaction low)
RECOMMENDATION	BUY	----
	SELL	1.3530
	STOP LOSS	1.3660
	TARGET	1.3435 1.3390



## USD/CHF

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



- Sharp rebound faces resistance area at 0.9772
- The support area at 0.9580 is still effective
- Beware of RSI near the overbought zone  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 20	0.96231	0.97166	0.95857	130,9	0.96956	↑ 71,5	0.96241
Sep 19	0.96150	0.96476	0.95939	53,7	0.96241	↑ 7,6	0.96165
Sep 18	0.95987	0.96397	0.95792	60,5	0.96165	↑ 26,7	0.95898
Sep 15	0.96318	0.96461	0.95636	82,5	0.95898	↓ 43,2	0.96330
Sep 14	0.96397	0.97037	0.96165	87,2	0.96330	↓ 8,3	0.96413

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.97166 (20/Sep)	0.95792 (18/Sep)	0.97166 (20/Sep)	0.94195 (08/Sep)	0.97715 (08/Aug)	0.94269 (29/Aug)	1.0335 (03/Jan)	0.94195 (08/Sep)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.9967	High 16/May/2017
	0.9856	Pivot line (Crucial level)
	0.9808	High 30/May/2017 (Reaction high)
	0.9772	High 08/Aug/2017 (Reaction high)
SUPPORT	0.9562	Low 15/Sep/2017 (Reaction low)
	0.9463	Low 11/Sep/2017
	0.9419	Low 08/Sep/2017
	0.9379	Low 26/Aug/2015
RECOMMENDATION	BUY	0.9650
	SELL	----
	STOP LOSS	0.9560
	TARGET	0.9735 0.9785

## AUD/USD

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



- Correction happens in daily
- Main resistance at 0.8295, support 0.7804  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 20	0.80085	0.81022	0.79846	117,6	0.80294	↑ 22,2	0.80072
Sep 19	0.79583	0.80188	0.79573	61,5	0.80072	↑ 51,5	0.79557
Sep 18	0.79976	0.80340	0.79388	95,2	0.79557	↓ 44,1	0.79998
Sep 15	0.79980	0.80341	0.79854	48,7	0.79998	↓ 3	0.80001
Sep 14	0.79831	0.80149	0.79546	60,3	0.80001	↑ 17,0	0.79831

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.81022 (20/Sep)	0.79388 (18/Sep)	0.81239 (08/Sep)	0.79205 (01/Sep)	0.80416 (01/Aug)	0.78067 (15/Aug)	0.81239 (08/Sep)	0.7182 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.8375	High Dec 11, 2014 (Reaction high)
	0.8295	High Jan 15, 2015 (Reaction high)
	0.8162	High May 14, 2015
	0.8124	High Sept 08
SUPPORT	0.7996	Low Sept 20
	0.7937	Low Sept 18
	0.7863	Low Aug 24
	0.7812	Low Aug 16
ECOMMENDATION	BUY	0.8010
	SELL	-----
	STOP LOSS	0.7935
	TARGET	0.8090 0.8120

## NZD/USD

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



- Correction facing the support area at 0.7100 - 0.7050
- Resistance level at 0.7558
- Daily RSI is rise  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 20	0.73145	0.74323	0.73020	130,3	0.73555	↑ 39,4	0.73161
Sep 19	0.72572	0.73254	0.72540	71,4	0.73161	↑ 50,9	0.72652
Sep 18	0.72931	0.73426	0.72458	96,8	0.72652	↓ 19,3	0.72845
Sep 15	0.72243	0.73093	0.72107	98,6	0.72845	↑ 60,5	0.72240
Sep 14	0.72381	0.72612	0.71829	78,3	0.72240	↓ 14,6	0.72386

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.74323 (20/Sep)	0.72458 (18/Sep)	0.74323 (20/Sep)	0.71446 (01/Sep)	0.75239 (01/Aug)	0.71305 (31/Aug)	0.75570 (27/Jul)	0.68166 (11/May)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	0.7744	High Apr 29, 2014
	0.7558	High Jul 27
	0.7473	High Aug 02
	0.7454	High Aug 04
<b>SUPPORT</b>	0.7246	Low Sept 18
	0.7156	Low Sept 05
	0.7112	Low June 05
	0.7054	Low June 01
<b>RECOMMENDATION</b>	BUY	0.7330
	SELL	-----
	STOP LOSS	0.7255
	TARGET	0.7410 0.7440

## EUR/JPY

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



- Reversal occurs after failing to hold above 134
- If this condition continues, then correction may develop, facing the crucial support area at 132.25  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 20	133.816	134.065	133.230	83,5	133.451	↓ 34,0	133.791
Sep 19	133.303	134.141	133.204	93,7	133.791	↑ 44,9	133.342
Sep 18	132.579	133.400	132.570	83,0	133.342	↑ 97,2	132.370
Sep 15	131.325	133.065	130.590	247,5	132.370	↑ 96,4	131.406
Sep 14	131.344	131.729	131.076	65,3	131.406	↑ 11,8	131.288

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
134.141 (19/Sep)	132.570 (18/Sep)	134.141 (19/Sep)	129.340 (06/Sep)	131.678 (30/Aug)	127.532 (18/Aug)	134.141 (19/Sep)	114.87 (17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	136.95	High 09/Oct/2015 (Reaction high)
	136.40	High 21/Oct/2015 (Reaction high)
	134.59	High 04/Dec/2015 (Reaction high)
	134.15	High 19/Sep/2017
SUPPORT	132.48	Low 18/Sep/2017
	130.59	Low 15/Sep/2017
	129.34	Low 06/Sep/2017 (Reaction low)
	129.09	Low 25/Aug/2017
RECOMMENDATION	BUY	----
	SELL	133.75
	STOP LOSS	134.45
	TARGET	132.60 132.15

### USD/CAD

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



- Rebound faces a crucial resistance area at 1.2412
  - Breakout that area will strengthen a bullish signal
- [\(Research – @ErwinRiset\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2193</b>	<b>1.2323</b>

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2389 (20/Sep)	1.2169 (18/Sep)	1.2491 (01/Sep)	1.2057 (08/Sep)	1.2778 (15/Aug)	1.2438 (29/Aug)	1.3793 (05/May)	1.2057 (08/Sep)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.2778	High 15/Aug/2017 (Peak)
	1.2691	High 18/Aug/2017 (Reaction high)
	1.2491	High 01/Sep/2017
	1.2415	High 06/Sep/2015
<b>SUPPORT</b>	1.2198	Low 20/Sep/2017 (Reaction low)
	1.2116	Low 15/Sep/2017 (Reaction low)
	1.2057	Low 08/Sep/2017
	1.1997	Low 18/May/2015
<b>RECOMMENDATION</b>	BUY	1.2300
	SELL	----
	STOP LOSS	1.2190
	TARGET	1.2425 – 1.2500

## Precious Metal – *Daily Outlook*

### Gold falls 1 pct, hits three-week low after Fed statement - Reuters News



Gold prices fell 1 percent on Wednesday after the U.S. Federal Reserve left interest rates unchanged but signaled it still expected to raise interest rates by year-end.

Gold had been creeping higher in the minutes before the Fed released a statement about its latest two-day policy meeting, then reversed course and fell. It briefly sank below the \$1,300 mark that traders had viewed as psychological support. Bullion hit \$1,295.81 an ounce, the lowest since Aug. 28.

As expected, the Fed also said it would start to reduce the portfolio of Treasuries and

mortgages it acquired through its quantitative easing (QE) program after the financial crisis. New projections after the Fed meeting showed 11 of 16 officials favored higher benchmark U.S. interest rates by year-end.

"The Fed came out and said they were going to do their QE reversal of about \$10 billion a month; they still expect a Fed rate hike in December and three more in 2018. This puts a little pressure on gold," said Jeff Klearman, portfolio manager at GraniteShares, a provider and manager of exchange traded funds.

Spot gold was down 0.76 percent at \$1,301.2 an ounce by 3:55 p.m. EDT (1955 GMT), trading back above the \$1,300 level.

"The natural resistance is that hard number of \$1,300," said Dan Denbow, portfolio manager at USAA Precious Metals and Minerals Fund.

Benchmark U.S. Treasury yields jumped to their highest in six weeks, while Wall Street stocks fell after the Fed meeting.

The dollar turned higher against a basket of currencies, reversing an earlier drop.

Bill O'Neill, co-founder of Logic Advisors, noted that speculative investors had added to their net long position in gold for nine straight weeks, making the market vulnerable to more selling.

"A number of them are underwater so they're already in a losing mode," he said, adding that if gold slips much more "that would add a significant number of very weak longs in the market." He said gold selling could intensify if U.S. Treasury yields rise more or the dollar strengthens further.

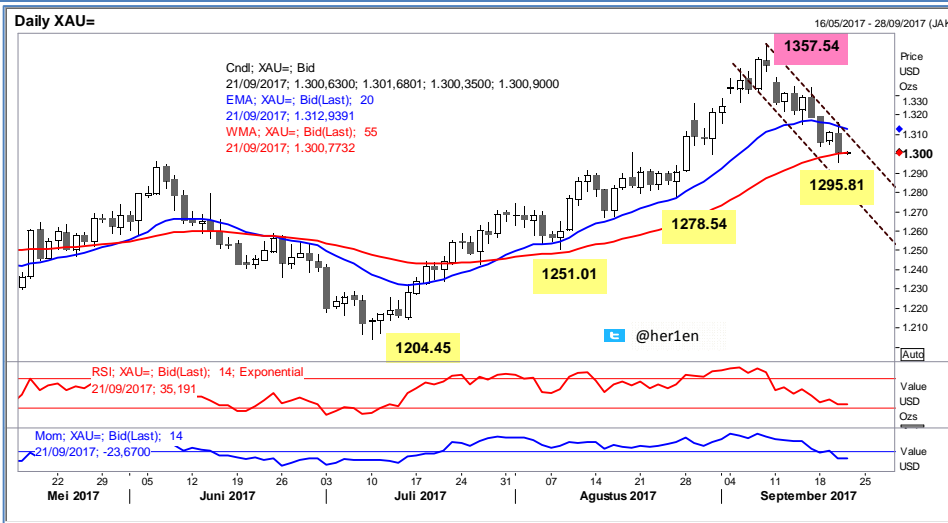
Rising bond yields make non-yielding assets such as bullion less attractive. A rising dollar also tends to hurt the value of gold.

Spot silver was down 1.27 percent at \$17.10 an ounce, while platinum fell 0.63 percent at \$942 an ounce. Palladium was up 0.39 pct at \$912 an ounce.

The most active U.S. gold futures for December delivery settled up \$5.80, or 0.44 percent, at \$1,316.40 per ounce. [\(Source Reuters, Research – @her1en\)](#)



## GOLD (XAU/USD)



- Rebound faces resistance around 1357
- While the crucial support area is around 1278
- Daily RSI is flat  
[\[Research - @her1en\]](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Sep 20	1310.790	1315.810	1295.860	19.95	1300.980	↓ 9.93	1310.910	1314.90	1311.30
Sep 19	1307.360	1311.490	1304.990	6.50	1310.910	↑ 3.57	1307.340	1308.45	1309.60
Sep 18	1317.110	1319.510	1304.510	15.00	1307.340	↑ 14.23	1321.570	1314.40	1312.10
Sep 15	1328.890	1334.230	1319.650	14.58	1321.570	↓ 7.75	1329.320	1325.00	1322.85
Sep 14	1323.390	1330.470	1315.630	14.84	1329.320	↑ 6.34	1322.980	1323.00	1324.55

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1319.510	1295.860	1357.380	1295.860	1325.870	1251.380	1357.380	1146.31
(18/Sep)	(20/Sep)	(08/Sep)	(20/Sep)	(29/Aug)	(08/Aug)	(08/Sep)	(03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	1357.54	High Sept 08
	1339.96	High Sept 11
	1334.65	High Sept 13
	1319.56	High Sept 18
<b>SUPPORT</b>	1291.50	Low Aug 28
	1278.54	Low Aug 25
	1267.23	Low Aug 15
	1260.56	Low Aug 09
<b>RECOMMENDATION</b>	BUY	1299.00
	SELL	-----
	STOP LOSS	1289.00
	TARGET	1309.00 1314.00

## SILVER (XAG/USD)



- With strong resistance at 18.22
  - While the crucial support area is around 16.55
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 20	17.288	17.380	16.953	0.43	17.155	↓ 0.15	17.302
Sep 19	17.192	17.313	17.100	0.21	17.302	↑ 0.10	17.198
Sep 18	17.544	17.608	17.045	0.56	17.198	↓ 0.42	17.617
Sep 15	17.764	17.833	17.570	0.26	17.617	↓ 0.15	17.771
Sep 14	17.755	17.787	17.589	0.20	17.771	↑ 0.02	17.751

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.608	16.953	18.199	16.953	17.647	16.108	18.63	14.334
(18/Sep)	(20/Sep)	(08/Sep)	(20/Sep)	(29/Aug)	(07/Aug)	(17/Apr)	(07/Jul)

### ANALYSIS & RECOMMENDATION

RESISTANCE	18.22	High Apr 20
	17.96	High Sept 13
	17.62	High Sept 18
	17.39	High Sept 20
SUPPORT	16.92	Low Sept 20
	16.55	Low Aug 15
	16.10	Low Aug 07
	15.94	Low July 17
ECOMMENDATION	BUY	17.10
	SELL	-----
	STOP LOSS	16.80
	TARGET	17.45
		17.65

## OIL – Daily Outlook

### Oil up 2 pct despite U.S. crude build; set for best 3rd qtr since 2004 - Reuters News



Oil prices settled up 2 percent on Wednesday despite a rise in U.S. crude inventories, with the market heading for its largest third-quarter gain in 13 years after the Iraqi oil minister said OPEC and its partners were considering extending or deepening output cuts.

Brent crude futures rose \$1.06, or 1.9 percent, to \$56.20 a barrel, while U.S. West Texas Intermediate (WTI) crude futures gained 93 cents,

or 1.9 percent, to \$50.41.

Crude prices were on course for a nearly 16 percent rise this quarter, which would make this year's performance the strongest for the third quarter since 2004.

U.S. crude oil stockpiles jumped last week as imports and production increased, the U.S. Energy Information Administration said, as operations resumed from the impact of Hurricane Harvey which hit the Gulf Coast on Aug. 25.

Crude inventories rose for a third straight week, building by 4.6 million barrels, about a million more barrels than forecast.

"The impact of Hurricane Harvey can still be seen in today's larger-than-expected build in the U.S. commercial crude stockpile," said Abhishek Kumar, Senior Energy Analyst at Interfax Energy's Global Gas Analytics in London. "However, this has had limited impact in dissipating the bullish sentiment prevailing in the market."

However, U.S. crude remains rangebound around \$50.

The Brent/WTI spread WTCLc1-LCOc1 widened 36 cents to settle at negative \$5.60. Because of the depressed price of U.S. crude compared to Brent, the spread is now the widest in more than two years.

"The hurricane widened it out," said Rob Haworth, senior investment strategist at U.S. Bank Wealth Management, pointing out that U.S. inventories and global inventories have different narratives because of Harvey.

"If I look at this week's EIA data, post hurricane ... the refined products drawdown implies that refineries are not yet back to normal," he said. "They're not replacing inventories for current demand."

Gasoline stocks fell 2.1 million barrels, the EIA said Wednesday, in line with analysts' expectations, while distillate stocks inventories fell 5.7 million barrels, the biggest weekly draw since November 2011.

The October front-month futures CLc1 contract expires on Wednesday.

On Friday the Organization of the Petroleum Exporting Countries and other producers will meet in Vienna to discuss the progress of their deal to limit output.

The group is considering a range of options, including an extension of cuts, but it would be premature to decide on what to do beyond the agreement's expiry in March, Iraqi oil minister Jabar al-Luaibi told an energy conference on Tuesday.

OPEC and non-OPEC producers including Russia have agreed to reduce output by about 1.8 million barrels per day (bpd) until March to reduce global oil inventories and support prices.

Some producers think the pact should be extended for three or four months, others want it to run until the end of 2018, while some, including Ecuador and Iraq, think there should be another round of supply cuts, al-Luaibi said.

"The market will be monitoring [the meeting] closely, to see if they're including Nigeria and Libya," said Tony Headrick, energy market analyst at CHS Hedging. "Cuts have been relatively well implemented recently and early thoughts are that they're going to maintain those cuts." *(Source Reuters, Research – @her1en)*

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



- Daily RSI rise
- There has been a daily channel trend break
- Resistance is important at 52.50  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 20 (CLX7)	50.27	51.09	50.14	0.95	50.71	↑ 0.45	50.26
Sep 19 (CLX7)	50.36	50.80	49.72	1.08	50.26	↓ 0.08	50.34
Sep 18 (CLX7)	50.37	50.83	49.67	1.16	50.34	↓ 0.01	50.35
Sep 18 (CLV7)	49.85	50.32	49.18	1.14	49.91	↑ 0.11	49.80
Sep 15	49.69	50.11	49.40	0.71	49.80	↑ 0.10	49.70
Sep 14	49.29	50.48	49.14	1.34	49.70	↑ 0.40	49.30

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
51.09 (20/Sep)	49.18 (18/Sep)	51.09 (20/Sep)	46.55 (01/Sep)	50.41 (01/Aug)	45.58 (31/Aug)	55.22 (03/Jan)	42.04 (21/Jun)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	54.87	High Aug 14
	53.99	High Apr 19
	52.50	High May 25
	51.11	High Sept 20
<b>SUPPORT</b>	49.73	Low Sept 19
	48.12	Low Sept 13
	47.00	Low Sept 11
	46.56	Low Sept 01
<b>RECOMMENDATION</b>	BUY	50.50
	SELL	----
	STOP LOSS	49.40
	TARGET	51.90 52.40