

# Daily Bulletin

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

Research Department

09/22/2017

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Published by RESEARCH DEPARTMENT – PT VALBURY ASIA FUTURES

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## GLOBAL MARKETS & ECONOMIES

### GLOBAL MARKETS

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- Banking shares drove European bourses higher on Thursday after the U.S. Federal Reserve signaled a likely December rate hike and announced it would begin trimming its balance sheet in October.
- The U.S. Treasury yield curve flattened to a two-and-a-half month low and world stock markets fell on Thursday as investors adjusted to indications from the U.S. Federal Reserve that it may raise interest rates a third time this year.

### GLOBAL ECONOMIES

- S&P Global Ratings downgraded China's long-term sovereign credit rating on Thursday, less than a month ahead of one of the country's most sensitive political gatherings, citing increasing risks from its rapid build-up of debt.
- At the Bank of Japan, it was the same old story. The BOJ held monetary settings steady at a policy review on Thursday and asked markets to have faith that inflation will hit its elusive 2 percent goal.
- Euro zone consumer confidence rose by more than expected in September, the European Commission said in its flash estimate on Thursday.
- Britain unexpectedly posted its smallest budget deficit for any August since 2007, helped by record sales tax revenues that could give finance minister Philip Hammond room to relax his grip on spending in an upcoming budget.
- The number of Americans filing for unemployment benefits unexpectedly fell last week, but the near-term outlook for the labor market was muddled by the continuing impact of Hurricanes Harvey and Irma.

### GLOBAL MARKETS

**Asia** – The U.S. dollar shone while Asian shares slipped on Thursday after the U.S. Federal Reserve announced a plan to start shrinking its balance sheet and signalled one more rate hike later this year.

Japan's Nikkei gained 0.2 percent as a rise in U.S. bond yields lifted financial shares, while the yen's fall against the dollar after the Fed's decision helped exporters.

The Bank of Japan, as widely expected, left its policy settings unchanged, with markets awaiting a news conference by its governor later in the day.

**Euro Zone** – Banking shares drove European bourses higher on Thursday after the U.S. Federal Reserve signaled a likely December rate hike and announced it would begin trimming its balance sheet in October.

The pan-European STOXX 600 ended up 0.3 percent while euro zone stocks and blue-chips rose 0.4 percent as the U.S. central bank's optimism on the economy stoked renewed enthusiasm for financials and cyclical sectors in Europe.

"The market's reaction... is positive on the back of the Fed acting in line with expectations, and with that the market anticipates the Euro strength momentum to fade," said Britta Weidenbach, head of European equities at Deutsche Asset Management.

Banks, the biggest gainers from interest rate rises that cushion margins, jumped 1.4 percent to a one-month high on the prospect of the European Central Bank following the United States in bringing ultra-loose monetary policy to an end.

Analysts have been increasing their earnings expectations for European banks for much of the past 12 months.

"No one is expecting any big moves on the interest rate front in Europe but it's about the direction upwards, and that is good for financials which account for a big part of European indices," said Weidenbach.

Commerzbank rose 3.5 percent on reports of merger approaches.

Reuters reported on Wednesday UniCredit had approached Commerzbank for a possible merger, and German weekly WirtschaftsWoche on Thursday said the government favours a merger of the state-backed bank with France's BNP Paribas.

BNP shares rose 1 percent while Unicredit was up 2 percent.

Merger and acquisition activity continued to drive shares with Irish building materials firm CRH rising 3 percent, bolstering the construction sector, after it agreed to buy U.S. cement maker Ash Grove Cement Co.

Siemens rose 1.3 percent after reports it is in talks to merge its rail business with that of either Alstom or Bombardier and will pick a preferred partner within days for further negotiations.

Alstom shot up 3.9 percent to a nine-week high.

Meanwhile, shares in Finnish power provider Fortum slipped 3.5 percent from a two-year high hit on Wednesday after it said it was in talks to buy E.ON's stake in Uniper.

"Fortum may have picked an opportune point in the cycle for its bid, although enthusiasm for the transaction banks on investors being willing to value Uniper's assets on a higher multiple within Fortum," Deutsche Bank analysts said in a note.

Troubled British outsourcer Capita slumped 11.6 percent to the bottom of the European index after first-half revenue declined and the hunt for a new CEO continued.

**U.S. & Global Markets** – The U.S. Treasury yield curve flattened to a two-and-a-half month low and world stock markets fell on Thursday as investors adjusted to indications from the U.S. Federal Reserve that it may raise interest rates a third time this year.

Lingering worries over North Korea added to the weaker tone in U.S. stocks, with U.S. President Donald Trump ordering new sanctions.

The Fed, as expected, also laid out plans to begin the unwinding of a decade of aggressive monetary stimulus, but took a more-hawkish-than-expected stance at this week's meeting.

According to a Reuters poll late Wednesday of Wall Street's top banks, the Fed will resume rate hikes in December and in 2018 raise borrowing costs three more times.

"The meeting was definitely more hawkish than what the market was anticipating," said Mary Ann Hurley, vice president in fixed income trading at D.A. Davidson in Seattle.

"We were definitely not pricing in another rate hike for this year," she said.

In Asia, the Bank of Japan kept its monetary spigots open. Investors have been trying to figure out what may happen to the European Central Bank

money-printing program, with policymakers disagreeing on whether to set a definitive end date.

The yield curve between Treasury five-year notes and 30-year bonds flattened to 92 basis points on Thursday, the lowest level since July 6. Intermediate-dated debt is more sensitive than longer-dated bonds to interest rate increases.

MSCI's gauge of stocks across the globe shed 0.41 percent.

The S&P 500 and Dow snapped a run of record closing highs.

Concerns over North Korea may have contributed to the bearish sentiment, said Peter Tuz, president of Chase Investment Counsel in Charlottesville, Virginia. He noted, however, that "we've had a pretty good run, and we didn't have much to keep it going."

Bank stocks cheered the prospect of higher interest rates, which should help their profits. The S&P bank index was up 0.5 percent, adding to Wednesday's gains.

The Dow Jones Industrial Average fell 53.36 points, or 0.24 percent, to end at 22,359.23, the S&P 500 lost 7.64 points, or 0.30 percent, to 2,500.6 and the Nasdaq Composite dropped 33.35 points, or 0.52 percent, to 6,422.69.

Emerging markets shares were lower, with an index of emerging markets falling 0.4 percent.

S&P Global became the second major rating agency this year to cut China's credit score, citing worries about the country's rising debt levels and the risks that poses for financial stability in the world's second largest economy.

The dollar weakened against a basket of currencies, pulling back from a more-than-two-week peak as bets stoked by the Fed's signal on rates abated. The dollar index fell 0.35 percent. [\(Source Reuters – @her1en\)](#)

## **GLOBAL ECONOMIES**

**China** – S&P Global Ratings downgraded China's long-term sovereign credit rating on Thursday, less than a month ahead of one of the country's most sensitive political gatherings, citing increasing risks from its rapid build-up of debt.

S&P's one-notch downgrade to A+ from AA- comes as Beijing grapples with the challenges of containing financial risks stemming from years of credit-fuelled stimulus to meet ambitious government economic growth targets.

"The downgrade reflects our assessment that a prolonged period of strong credit growth has increased China's economic and financial risks," S&P said in a statement, adding that the ratings outlook was stable.

S&P had said in June there was a "real" chance of a downgrade and a decision would be made based on whether China is able to move away from a credit-driven growth strategy. The demotion follows a similar move by Moody's Investors Service in May.

While S&P's move put its China ratings on par with those of Moody's and Fitch, the timing raised eyebrows just weeks ahead of a twice-a-decade Communist Party Congress (CPC), which will see a key leadership reshuffle and the setting of policy priorities for the next five years.

"The downgrade is a timely reminder for the authorities that China needs to bite the bullet on some of the more painful reforms that have been left to last, namely corporate deleveraging and restructuring of state-owned companies," said Rob Subbaraman, an economist at Nomura in Singapore.

"The focus needs to shift from quantity to quality of growth. I hope that later this year China lowers its GDP growth target to 6 percent to 6.5 percent, or not have one at all. That would be a positive sign."

The International Monetary Fund warned this year that China's credit growth was on a "dangerous trajectory" and called for "decisive action", while the Bank for International Settlements said last September that

excessive credit growth was signalling a banking crisis in the next three years.

The IMF said in August it expected China's total non-financial sector debt to rise to almost 300 percent by 2022, up from 242 percent last year.

While worries about China's sustained strong credit growth are increasing in some quarters, first-half economic growth of 6.9 percent beat expectations and some analysts said the downgrade would have little impact on financial markets.

"The decision was a catch-up with the other two credit agencies, instead of an initiative. Its impact on financial markets would very limited," said Ken Cheung, senior Asian FX strategist at Mizuho Bank in Hong Kong.

"For those invested in yuan-denominated bonds, they care more about yuan expectations. The downgrade decision is likely to have limited impact on capital inflows as well."

China's stock markets had closed Thursday before the downgrade, and there was little reaction in the yuan currency.

While risks are rising, S&P said the government's recent efforts to reduce corporate leverage could stabilise conditions in the medium term.

"However, we foresee that credit growth in the next two to three years will remain at levels that will increase financial risks gradually," S&P said.

S&P also lowered China's short-term rating to A-1 from A-1+.

"It is in recognition of the reality that, concerns notwithstanding, the authorities are not planning to rein in credit growth in a forceful way," said Louis Kuijs at Oxford Economics in Hong Kong.

Indeed, Chinese banks kept the taps open in August, handing out 1.09 trillion yuan (\$165.40 billion), and the growth of outstanding loans was higher than expected, at 13.2 percent.

**Japan** – At the Bank of Japan, it was the same old story. The BOJ held monetary settings steady at a policy review on Thursday and asked markets to have faith that inflation will hit its elusive 2 percent goal.

But board newcomer, Goushi Kataoka, wasn't buying it.

A vocal advocate of aggressive easing who joined the board in July, Kataoka dissented in an 8-1 vote and argued against the central bank's view that current policy was sufficient to boost inflation to its target.

BOJ Governor Haruhiko Kuroda, however, played down any suggestion of a fresh rift in the board that could further delay any plan by the central bank to dial back its massive stimulus.

Kuroda said he saw nothing wrong with having a dissenter in the board and stressed the BOJ's resolve to maintain or even ramp up its massive stimulus programme.

"Price moves remain weak and there's still some distance in achieving our price target. The BOJ will continue its powerful monetary easing to achieve 2 percent inflation at the earliest date possible," Kuroda told a news conference.

"We will take further monetary easing steps if necessary."

As widely expected, the BOJ decided to keep its short-term interest rate target at minus 0.1 percent and a pledge to guide 10-year government bond yields around zero percent under its yield curve control (YCC) policy.

The BOJ also maintained a loose pledge to keep buying bonds so its holdings increase at an annual pace of 80 trillion yen (\$717.6 billion), diverting from the U.S. Federal Reserve's plan to steadily pull back from crisis-era measures.

Kataoka expressed skepticism about the BOJ's conviction on hitting 2 percent inflation.

"Given excess supply capacity remaining in the capital stock and labour market, monetary easing effects gained from the current yield curve aren't enough to achieve 2 percent inflation around fiscal 2019," as projected by the BOJ, Kataoka said in a statement announcing the policy decision.

The former economist did not propose lowering rates but said inflation was unlikely to accelerate toward 2 percent from next year, signalling the

need for further easing steps to nudge up consumer inflation from current levels of around 0.5 percent.

Kataoka and former banker Hitoshi Suzuki, who voted with the majority of the board, replaced former market analysts Takahide Kiuchi and Takehiro Sato, who had voiced doubts on Kuroda's radical monetary experiment.

"Kataoka is on his own for now and hasn't proposed additional easing. It is a question of whether other board members swing to his side," said Hiroshi Miyazaki, senior economist at Mitsubishi UFJ Morgan Stanley Securities.

"Kataoka has expressed doubt about the effects of YCC, which will spur some debate about how YCC is managed and could lead to some minor adjustments or talk about additional easing via another channel," he said.

**Euro Zone** – Euro zone consumer confidence rose by more than expected in September, the European Commission said in its flash estimate on Thursday.

The European Commission said confidence among consumers in the 19 countries sharing the euro currency rose to -1.2 from -1.5 in August. Analysts had expected the indicator to remain unchanged from its August reading.

In the European Union as a whole, consumer sentiment increased by 0.8 points to -1.5 in September.

The Commission's flash estimate gave no details on why consumers were more optimistic.

**U.K.** – Britain unexpectedly posted its smallest budget deficit for any August since 2007, helped by record sales tax revenues that could give finance minister Philip Hammond room to relax his grip on spending in an upcoming budget.

The deficit in August stood at 5.7 billion pounds (\$7.7 billion), down 18 percent compared with the same month last year, the Office for National Statistics said on Thursday, citing figures that exclude state-controlled banks.

The shortfall for August was smaller than all forecasts in a Reuters poll of economists that had pointed to a much larger deficit of 7.1 billion pounds. August's strong performance followed an unexpected surplus in July, a relief for Hammond who is under pressure to loosen spending constraints when he announces budget plans in November.

With almost half of the financial year complete, Hammond looks on track to undershoot the 58 billion pound borrowing target for 2017/18 set by Britain's official budget forecaster.

"All of this suggests that the chancellor should have room for some easing of austerity in his budget in November," said John Hawksorth, chief economist at PwC.

Last week, Prime Minister Theresa May agreed to ease seven years of public sector pay caps, but only modestly and only for police and prison guards.

The government also faces calls for more spending on the health service, housing, infrastructure and a further relaxation of the pay cap for public sector workers.

The finance ministry said it had made substantial progress in cutting the deficit but the national debt was still too high.

Analysts have said they expect 2017/18 to be a difficult financial year, in part because of a slowing economy after last year's Brexit vote.

But value-added tax receipts rose 5.6 percent to 11.6 billion pounds in August, the highest for that month on record.

The VAT figures, based on forecasts for the coming three months, could be another sign that consumer spending is holding up despite rising inflation and weak wage growth.

Corporation tax revenues fell 4 percent compared with August 2016, however, and were flat for the financial year so far.

While government debt interest payments dipped in August, they were still up 17 percent in the year to date, pushed up by the post-Brexit vote rise in inflation. Around a third of British government bonds are linked to inflation.

A move by the Bank of England to raise interest rates in November -- something it signalled was likely last week -- could increase debt payments further.

Britain has been struggling to fix its public finances since the deficit surged to around 10 percent of gross domestic product in 2010 after the financial crisis.

Since then it has been cut steadily, to 2.3 percent of GDP in the 2016/17 financial year which ended in March, its smallest since before the global financial crisis.

But the deficit is expected to widen again to 2.9 percent of GDP this year when Hammond will have fewer one-off factors to help him than last year.

Hammond has not committed to balance the budget until the middle of the next decade, giving him flexibility to slow the pace of deficit reduction if needed to support the economy through Britain's departure from the European Union.

But JPMorgan economist Allan Monks warned that if the official budget forecaster strikes as gloomy a tone about Britain's economic prospects after Brexit as BoE Governor Mark Carney did last week, this could limit Hammond's room for manoeuvre in coming years.

**U.S.** – The number of Americans filing for unemployment benefits unexpectedly fell last week, but the near-term outlook for the labor market was muddied by the continuing impact of Hurricanes Harvey and Irma.

Other data on Thursday showed manufacturing activity in the mid-Atlantic region accelerated in September amid a surge in new orders. But hiring by factories slowed and employees worked fewer hours this month compared to August.

Initial claims for state unemployment benefits declined 23,000 to a seasonally adjusted 259,000 for the week ended Sept. 16, the Labor Department said. A Labor Department official said Harvey and Irma affected claims for Texas and Florida.

Unadjusted claims for Texas fell 23,549 last week, the second straight weekly drop. Claims in Texas surged in the wake of Harvey, which disrupted oil, natural gas and petrochemicals production, leaving some workers temporarily unemployed.

Unadjusted claims for Florida rose 5,133 last week. In addition, the Labor Department estimated claims for South Carolina and the Virgin Islands last week.

Economists had forecast claims rising to 300,000 in the latest week. It was the 133rd straight week that claims remained below the 300,000 threshold, which is associated with a robust labor market. That is the longest such stretch since 1970, when the labor market was smaller.

The four-week moving average of claims, considered a better measure of labor market trends as it irons out week-to-week volatility, rose 6,000 to 268,750 last week.

Prices of U.S. Treasuries pared gains after the data and the dollar was weaker against a basket of currencies. U.S. stock index futures were trading lower.

The claims data covered the survey period for the nonfarm payrolls portion of September's employment report. There are fears the disruption caused by Harvey and Irma could restrain job growth in September. Texas and Florida account for about 14 percent of U.S. employment.

Federal Reserve Chair Janet Yellen told reporters on Wednesday that "payroll employment may be substantially affected in September" by the

storms, but she added that she expected labor market conditions would strengthen somewhat further out.

Yellen made the comments after the U.S. central bank left interest rates unchanged but signaled it still anticipated one more rate increase by the end of the year.

The four-week moving average of claims rose 28,250 between the August and September survey periods, suggesting a further slowdown in job growth. The economy added 156,000 jobs in August, with the private services sector hiring the smallest number of workers in five months.

In a separate report on Thursday, the Philadelphia Fed said its manufacturing activity index for the mid-Atlantic region increased about 5 points to a reading of 23.8 in September. It said almost 39 percent of the firms indicated increases in activity this month while 15 percent reported a decrease.

Firms reported a jump in new orders. The survey's employment index fell to a reading of 6.6, but has remained positive for 10 consecutive months. A measure of the average workweek dropped to a reading of 11.9 from 18.8 in August. *(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%	-0.1%	-0.1%	
	N/A	JP	BOJ 10-Yr Yield Target	Sep-21	0.0%	0.0%	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	-0.1%	-0.1%	0.4%	0.2%
	12:45	CH	SECO September 2017 Economic Forecasts					
	13:00	CH	Trade Balance	Aug	2.17b	--	3.51b	3.49b
	13:00	CH	Exports Real MoM	Aug	2.8%	--	-1.7%	-1.4%
	13:00	CH	Imports Real MoM	Aug	3.0%	--	-1.0%	-0.8%
	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	1.9%	--	2.0%	
	15:30	GB	Public Finances (PSNCR)	Aug	0.04b	--	-3.9b	-3.7b
	15:30	GB	Central Government NCR	Aug	1.1b	--	-6.9b	-7.1b
	15:30	GB	Public Sector Net Borrowing	Aug	5.1b	6.4b	-0.8b	-1.3b
	15:30	GB	PSNB ex Banking Groups	Aug	5.7b	7.1b	-0.2b	-0.7b
	19:30	US	Initial Jobless Claims	Sep-16	259k	302k	284k	282k
	19:30	US	Continuing Claims	Sep-09	1980k	1975k	1944k	1936k
	19:30	US	Philadelphia Fed Business Outlook	Sep	23.8	17.1	18.9	
	21:00	EZ	Consumer Confidence	Sep A	-1.2	-1.5	-1.5	
	21:00	US	Leading Index	Aug	0.4%	0.3%	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		55.7	55.8	
	15:00	EZ	Markit Eurozone Manufacturing PMI	Sep P		57.2	57.4	
	15:00	EZ	Markit Eurozone Services PMI	Sep P		54.8	54.7	
	15:00	EZ	Markit Eurozone Composite PMI	Sep P		55.5	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		53	52.8	
	20:45	US	Markit US Services PMI	Sep P		55.9	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 Nikkei share** average edged up on Thursday, helped by gains on Wall Street and a weaker yen after the U.S. Federal Reserve signalled it still expects to raise interest rates one more time this year.

The Bank of Japan kept monetary policy steady as expected earlier in the day and maintained its upbeat view of the economy, signalling its conviction that a solid recovery will gradually accelerate inflation towards its 2 percent target without additional stimulus.

The Nikkei ended 0.2 percent higher at 20,347.48 points, paring earlier gains which had seen it rise to as high as 20,481.27, the strongest level since August 2015.

The dollar was 0.2 percent higher at 112.40 yen after brushing 112.645, its highest since July 18 after the U.S. central bank said it will begin to reduce its balance sheet from next month and indicated that one more rate increase by the end of the year remains possible despite a recent bout of low inflation.

"Since both U.S. and Japan's monetary decisions are out, investors have started taking profits a bit," said Yutaka Miura, a senior technical analyst at Mizuho Securities. "For the next few weeks, U.S. economic indicators and headlines related to a snap election will likely move the market."

Government sources have told Reuters that Prime Minister Shinzo Abe is considering calling a snap election for as early as next month and will pledge to use some of the revenue from a scheduled sales tax hike in 2019 to fund spending on education and child care.

The Tokyo Stock Exchange's bank sub-index rose 1.0 percent. Mitsubishi UFJ Financial Group rose 1.7 percent and Mizuho Financial Group advanced 1.2 percent.

The broader Topix gained 0.1 percent, and the JPX-Nikkei Index 400 was flat.

**The South Korean** won ended near a one-week low on Thursday, while shares edged lower as Federal Reserve's decision to trim its portfolio starting from the next month and its signal of another rate hike by year-end hurt riskier assets.

The won was quoted at 1,132.7 to the dollar at the conclusion of onshore trade, down 0.4 percent compared with Wednesday's close of 1,128.3.

Seoul stocks, however, got modest support from gains in heavyweight tech shares such as Samsung Electronics and SK Hynix.

The Korea Composite Stock Price Index (KOSPI) closed down 0.2 percent at 2,406.50 points.

Samsung Electronics ended up 1.1 percent at 2,640,000 won, its highest-ever closing price as the company's earnings were expected to surpass market consensus. SK Hynix was up nearly 3 percent, ending at more than a 16-year high, as investors cheered it being part of the winning consortium for Toshiba Corp's chip unit.

**Hong Kong shares** ended Thursday little changed, as strength in financial and consumer stocks countered a slump in the resources sector triggered by a stronger dollar amid revived expectations of another U.S. rate increase later this year.

The Hang Seng index fell 0.1 percent, to 28,110.33 points, while the China Enterprises Index rose 0.2 percent at 11,198.32 points.

The Federal Reserve on Wednesday said it would start to shrink its massive balance sheet next month and signalled one more rate hike later this year. For months, markets had been steadily dialling back expectations of a third rise in 2017.

The hawkish tone bolstered the dollar, but hit commodity prices.

Resources shares suffered as a consequence, with an index tracking the sector slumping roughly 2 percent.

But investors got some solace from strength in banking shares, which are expected to benefit from rising interest rates.

**China stocks** China's major stock indexes slipped on Thursday, as developers and the materials sector weakened, offsetting gains in financial firms buoyed by expectations of another U.S. rate increase.

The Fed on Wednesday said it would start to shrink its massive balance sheet next month and signalled one more rate hike later this year. For months, markets had been steadily dialling back expectations of a third rise in 2017.

The blue-chip CSI300 index fell 0.1 percent, to 3,837.82 points, while the Shanghai Composite Index lost 0.2 percent to 3,357.81 points.

*(Source Reuters, Research: @her1en)*

### 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 – 21 September 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	22359.23	↓ 53.36/ 0.24%	.N225	20347.48	↑ 37.02/0.20%
/.SPX	2500.60	↓ 7.64/ 0.30%	.KS200	318.25	↓ 0.23/0.07%
/.IXIC	6422.693	↓ 33.351/ 0.52%	.HSI	28110.33	↓ 17.47/0.06%
JPY=	112.46	↑ 0.25/ 0.22%	/.SSEC	3358.19190	↓ 7.80400/0.23%
KRW=	1131.76	↑ 0.97/ 0.09%	/Clc1 (Oil)	50.74	↑ 0.33/ 0.65%

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



- The rising high-level bearish signal boost
- Beware of RSI in overbought zone
- The important support in 19820 - 19750 ([Research - @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
21 Sep SSIpmZ7	20250	20290	20185	105	20245	---	↑ 20	0.10	18051
21 Sep SSIamZ7	20295	20370	20200	170	20225	20225	↑ 90	0.45	64180
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

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
20370	19865	20370	19085	20100	19140	20370	18190
(21/Sep)	(18/Sep)	(21/Sep)	(08/Sep)	(02/Aug)	(29/Aug)	(21/Sep)	(17/Apr)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	20935	High Aug 11, 2015 (Reaction high)
	20680	High 18/Aug/2015 (Reaction high)
	20565	High 19/Aug/2015
	20370	High 21/Sept
<b>SUPPORT</b>	20075	Reaction low (hourly)
	19915	Reaction low (hourly)
	19750	Crucial level (hourly)
	19635	Reaction low (hourly)
<b>RECOMMENDATION</b>	BUY	20200
	SELL	----
	STOP LOSS	20050
	TARGET	20350
		20400



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



- Correction occurs in daily movement
- RSI in the overbought zone
- Support area at 318.50 - 316.30  
[\(Research – @her1en\)](#)

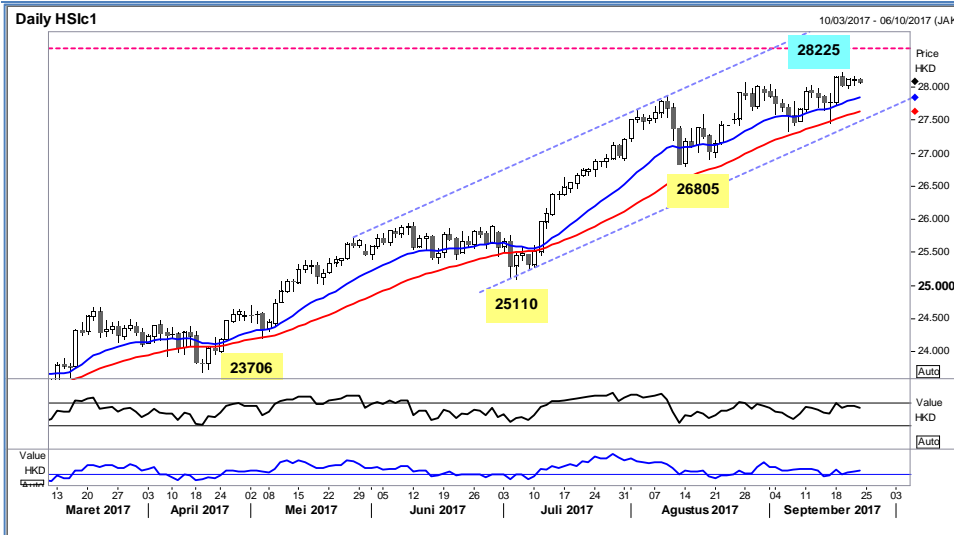
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
21 Sep	318.70	319.85	318.35	1.50	319.40	319.40	↑ 0.25	0.08	155468
20 Sep	320.10	321.60	318.15	3.45	319.15	319.15	↓ 0.25	0.08	181751
19 Sep	319.65	320.20	319.10	1.10	319.40	319.40	↓ 0.65	0.20	125392
18 Sep	314.85	320.05	314.65	5.40	320.05	320.05	↑ 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

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
	311.75	Low 15/Sep/2017
RECOMMENDATION	BUY	----
	SELL	319.20
	STOP LOSS	320.70
	TARGET	317.70 317.20

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



- Moves in trend channels and limited movement can still occur
- Short-term support at 27900 - 27750. [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
21 Sep	28091	28175	28035	140	28129	28129	↑ 5	0.02	96763
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

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

#### ANALYSIS & RECOMMENDATION

RESISTANCE	28517	61.8% Fib. Projection
	28458	High 27/May/2015
	28225	High 19/Sep/2017
	28175	Reaction high (hourly)
SUPPORT	27913	Pivot line (hourly)
	27751	Reaction low (hourly)
	27457	Low 15/Sep/2017
	27350	Low 06/Sep/2017
RECOMMENDATION	BUY	28080
	SELL	----
	STOP LOSS	27930
	TARGET	28230
		28280

## CURRENCIES – Daily Outlook

### Dollar retreats as post-Fed meeting glow fades - Reuters News



The dollar weakened against a basket of currencies on Thursday, pulling back from a more than two-week peak as bets stoked by the Federal Reserve signalling it may raise interest rates in December abated.

The dollar index, which tracks the greenback against six major currencies, was down 0.29 percent at 92.238.

"It's sort of interesting when you think about how hawkish the Fed was yesterday. It is just telling in terms of where the sentiment is for the U.S. dollar," said Erik Nelson, currency strategist at Wells Fargo Securities in New York.

After concluding a closely watched two-day policy meeting on Wednesday, the Fed left

interest rates unchanged as expected but signalled it still expects one more increase by the end of the year, despite a recent bout of low inflation.

The U.S. central bank also said it would start to reduce its \$4.2 trillion worth of bond holdings that ballooned through three rounds of quantitative easing.

"Yes, the Fed has just told us they are going to continue tightening policy, but the likes of the European Central Bank, the Bank of Canada and even the Bank of England now have also told us that they are going to start normalizing policy," said Nelson.

"It's clearly a contrast to where we were a year or two ago when the Fed was the only game in town."

On Thursday, ECB President Mario Draghi said monetary policy is not an appropriate tool to address financial imbalances but offered no fresh insight on the central bank's asset purchase program.

"Anything he says that doesn't sound dovish, the market will take it as hawkish," said Paresch Upadhyaya, director of currency strategy at Amundi Pioneer Asset Management in Boston.

The euro was up 0.35 percent at \$1.1933.

Sterling firmed against the dollar, with traders hopeful that a much-anticipated speech from Prime Minister Theresa May on Friday would signal she wants a "soft" exit for Britain from the European Union.

Norway's crown rose against the dollar and euro after the country's central bank kept its key policy rate unchanged at 0.50 percent, but said a rise was likely to come earlier than previously expected, albeit still more than a year away. [\(Source Reuters, Research – @her1en\)](#)

## 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 rise  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 21	1.18930	1.19527	1.18647	88,0	1.19398	↑ 50,4	1.18894
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

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	1.1920
	SELL	-----
	STOP LOSS	1.1845
	TARGET	1.2000
		1.2030

## USD/JPY

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



- Rebound faces the resistance area at 113.57
  - While the crucial support area is around 111
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 21	112.284	112.704	112.122	58,2	112.451	↑ 22,3	112.228
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

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
112.704 (21/Sep)	110.010 (18/Sep)	112.704 (21/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	111.09	Low Sept 20
	110.87	Low 18/Sep/2017
	109.54	Low 15/Sep/2017 (Reaction low)
	109.23	Low 12/Sep/2017
RECOMMENDATION	BUY	112.25
	SELL	----
	STOP LOSS	111.60
	TARGET	112.95
		113.25

## GBP/USD

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



- The movement is still in the daily trend channel area
- Beware of daily RSI is already overbought ([Research - @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 21	1.34949	1.35855	1.34695	116,0	1.35666	↑ 74,4	1.34922
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

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	1.3468	Low Sept 21
	1.3379	Low 15/Sep/2017
	1.3264	Pivot line (Daily)
	1.3158	Low 11/Sep/2017 (Reaction low)
RECOMMENDATION	BUY	1.3555
	SELL	----
	STOP LOSS	1.3480
	TARGET	1.3635
		1.3665

## 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  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 21	0.96963	0.97463	0.96837	62,6	0.97052	↑ 9,6	0.96956
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

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.97463 (21/Sep)	0.95792 (18/Sep)	0.97463 (21/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	0.9592	Low 20/Sep
	0.9463	Low 11/Sep/2017
	0.9419	Low 08/Sep/2017
	0.9379	Low 26/Aug/2015
RECOMMENDATION	BUY	0.9685
	SELL	----
	STOP LOSS	0.9620
	TARGET	0.9755 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 21	0.80326	0.80331	0.79139	119,2	0.79252	↓ 104,2	0.80294
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

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.81022 (20/Sep)	0.79139 (21/Sep)	0.81239 (08/Sep)	0.79139 (21/Sep)	0.80416 (01/Aug)	0.78067 (15/Aug)	0.81239 (08/Sep)	0.7182 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.8295	High Jan 15, 2015 (Reaction high)
	0.8162	High May 14, 2015
	0.8124	High Sept 08
	0.8036	High Sept 21
SUPPORT	0.7863	Low Aug 24
	0.7812	Low Aug 16
	0.7721	Low July 14
	0.7671	Low July 13
ECOMMENDATION	BUY	-----
	SELL	0.7945
	STOP LOSS	0.8020
	TARGET	0.7865 0.7835



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 21	0.73542	0.73630	0.72969	66,1	0.73067	↓ 48,8	0.73555
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

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

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.7558	High Jul 27
	0.7473	High Aug 02
	0.7454	High Aug 04
	0.7363	High Sept 21
SUPPORT	0.7246	Low Sept 18
	0.7156	Low Sept 05
	0.7112	Low June 05
	0.7054	Low June 01
RECOMMENDATION	BUY	-----
	SELL	0.7325
	STOP LOSS	0.7390
	TARGET	0.7255 0.7225

## EUR/JPY

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



- Movements within the bullish trend channel area
- Beware of daily RSI in overbought area ([Research - @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 21	133.543	134.351	133.477	87,4	134.285	↑ 83,4	133.451
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

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
134.351 (21/Sep)	132.570 (18/Sep)	134.351 (21/Sep)	129.340 (06/Sep)	131.678 (30/Aug)	127.532 (18/Aug)	134.351 (21/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  
[\(Research – @her1en\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2193</b>	<b>1.2326</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	1.2315
	SELL	----
	STOP LOSS	1.2250
	TARGET	1.2385 – 1.2415

## Precious Metal – *Daily Outlook*

### Gold falls to near 4-week low as Fed signals December rate hike - Reuters News



Gold fell about 1 percent to its lowest in nearly four weeks on Thursday, shrugging off further weakness in the dollar, after the Federal Reserve signalled it was on track to raise U.S. interest rates again in December.

The metal is highly sensitive to rising U.S. rates, which boost the cost of holding non-yielding bullion relative to other assets, while lifting the dollar, in which it is priced.

Spot gold was down 0.7 percent at \$1,291.46 an ounce by 3:25 p.m. EDT (1925 GMT), having earlier touched its lowest

since late August 25 at \$1,287.61. U.S. gold futures for December delivery settled at \$1,294.80.

"It's follow through from yesterday ... I think the tone people are thinking about is that it's hawkish enough," said Rob Haworth, senior investment strategist at U.S. Bank Wealth Management.

"If we start to get healthcare legislation, tax policy, repatriation, that means better economic growth and that's a headwind for gold, so investors may be thinking that this is a reasonable time to be taking profits as we price in a December rate increase."

In a statement on Wednesday following its latest two-day policy meeting, the U.S. central bank indicated it still expected one more rate increase by the end of the year in spite of a recent run of soft inflation readings.

It also said it planned to trim the \$4.2 trillion in asset holdings that it had built up in the wake of the 2008 financial crisis.

U.S. Vice President Mike Pence on Thursday urged fellow Republicans to get behind the party's "last best chance" to repeal and replace Obamacare as congressional leaders scrambled to secure enough support ahead of a planned vote next week.

Gold has pulled back more than \$60 an ounce since hitting its highest in more than a year earlier this month at \$1,357.54.

"The only hope for gold is if we see an unexpected fall in the dollar or a sharp rise in risk aversion, which would boost the appeal of the perceived safe haven commodity," said Fawad Razaqzada, technical analyst for Forex.com.

"Otherwise gold could fall back sharply given that it has also suffered major technical damage in not being able to hold its own above the key \$1,300 handle for too long."

The dollar hit a two-month high versus the yen after the Fed decision, but later fell against the euro after European Central Bank President Mario Draghi said monetary policy was not the right instrument to address financial imbalances in the euro zone.

Silver was down 1.1 percent at \$16.94 an ounce, after falling to its lowest since Aug. 25 earlier in the session at \$16.80.

Platinum was 0.3 percent lower at \$936.10 an ounce, after touching a near eight-week low of \$925 earlier in the day, while palladium was up 0.2 percent to \$911.60 an ounce.

*(Source Reuters, Research – @her1en)*

## GOLD (XAU/USD)



- Rebound faces resistance around 1339
- While the crucial support area is around 1267
- Daily RSI is down [\[Research - @her1en\]](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Sep 21	1300.890	1301.550	1287.950	13.60	1291.160	↓ 9.82	1300.980	1297.35	1292.10
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

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1319.510	1287.950	1357.380	1287.950	1325.870	1251.380	1357.380	1146.31
(18/Sep)	(21/Sep)	(08/Sep)	(21/Sep)	(29/Aug)	(08/Aug)	(08/Sep)	(03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	1339.96	High Sept 11
	1334.65	High Sept 13
	1319.56	High Sept 18
	1301.68	High Sept 21
<b>SUPPORT</b>	1287.61	Low Sept 21
	1278.54	Low Aug 25
	1267.23	Low Aug 15
	1260.56	Low Aug 09
<b>RECOMMENDATION</b>	BUY	-----
	SELL	1293.00
	STOP LOSS	1302.00
	TARGET	1283.00 1278.00

## 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 21	17.151	17.160	16.817	0.34	16.948	↓ 0.21	17.155
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

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.608 (18/Sep)	16.817 (21/Sep)	18.199 (08/Sep)	16.817 (21/Sep)	17.647 (29/Aug)	16.108 (07/Aug)	18.63 (17/Apr)	14.334 (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	16.80	Low Sept 21
	16.55	Low Aug 15
	16.10	Low Aug 07
	15.94	Low July 17
ECOMMENDATION	BUY	----
	SELL	17.05
	STOP LOSS	17.35
	TARGET	16.70
		16.50

## OIL – Daily Outlook

### Oil settles flat as unease builds ahead of OPEC meeting - Reuters News



Oil prices settled nearly flat on Thursday, the eve of a meeting of major oil-producing countries in Vienna to discuss whether they will extend production limits that have helped reduce the global crude glut.

Ministers from the Organization of the Petroleum Exporting Countries, Russia and other producers meet on Friday. They will discuss a possible extension of 1.8 million barrels per day (bpd) of supply cuts to support prices and will consider monitoring exports to assess compliance.

While many analysts expect extension of the deal beyond next March, many also said prices have risen high enough to tempt countries to boost production beyond agreed levels.

"Compliance looks to be a bit of an issue" if prices rise much from current levels, said John Kilduff, partner at Again Capital LLC in New York.

U.S. crude futures dipped 14 cents, or 0.3 percent, to settle at \$50.55 a barrel. Brent crude futures rose 14 cents, or 0.3 percent, to end at \$56.43 a barrel.

Kilduff noted that oil prices have surged more than 15 percent over the last three months as the production cuts, along with strong growth in energy demand, have tightened the global crude market.

"I don't think it's a sure thing they extend the deal at this meeting anyway," Kilduff said.

"Russia took a very long time to get to the compliance levels they were supposed to get to" in the output cut agreement, said Tariq Zahir, a trader with Tyche Capital Advisors in New York. "It wouldn't surprise me to see them cheat a little bit as we get to the fourth quarter."

He said OPEC's output cuts have boosted prices enough to encourage higher production elsewhere. U.S. shale production, especially, has been growing to record highs.

Hurricanes in the Gulf of Mexico have pushed up crude inventories as some U.S. refineries have been shut by flooding.

U.S. crude production reached 9.51 million bpd last week, up from 8.78 million bpd after Hurricane Harvey hit the U.S. Gulf late August.

Rising U.S. production is "a reminder to the market that OPEC has a significant problem on its hands from the continued rise in shale output," Again Capital's Kilduff said.

Front-month Brent futures have risen sharply in recent months, much more than forward prices. This has pushed the price curve for oil futures from contango, signifying an oversupplied market, to backwardation, where the back months are cheaper than the front month contract, indicating a tighter market.

Brent's backwardation, initially confined to the contracts nearest expiry, now extends throughout the whole of next year. [\(Source Reuters, Research – @her1en\)](#)

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



- Daily RSI is flat
- 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 21 (CLX7)	50.68	50.78	50.06	0.72	50.72	↑ 0.01	50.71
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

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	-----
	SELL	50.80
	STOP LOSS	51.70
	TARGET	49.50 49.00