



# 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 shares rose on Tuesday after modest gains on Wall Street, while robust metals prices underpinned some regional markets even as investors remained wary ahead of the annual central banking conference in Jackson Hole later this week.
- A flurry of results for heavyweight mining stocks and a plunge in Provident Financial shares injected some energy into European shares on Tuesday, with the region's benchmark indexes ending a three-day losing streak.
- Global equity markets rallied on Tuesday, lifted by mining companies in Europe and surging technology shares on Wall Street, while crude oil rebounded on indications that supply is gradually tightening, especially in the United States.

### GLOBAL ECONOMIES

- Rising corporate profits are providing Chinese policymakers with room to do more to tackle the country's growing debt problems without inflicting major damage on the economy.
- A vast majority of Japanese firms do not want any further radical monetary easing, even though they believe the central bank's inflation goal will either take more than three years to achieve or is an impossible target, a Reuters poll showed.
- The European Central Bank's ultra-easy monetary policy may actually reduce income inequality in Europe, ECB Vice President Vitor Constancio said on Tuesday, rejecting the argument that asset buys disproportionately benefit the wealthy.
- Britain unexpectedly posted its first budget surplus for any July since 2002 according to official data on Tuesday, welcome news for finance minister Philip Hammond in what still looks likely to be a difficult financial year for the government.
- Canadian retail sales cooled in June after three consecutive months of solid growth, but analysts said the economy's overall tone was still strong enough to warrant another interest rate hike this year.

### GLOBAL MARKETS

**Asia** – Asian shares rose on Tuesday after modest gains on Wall Street, while robust metals prices underpinned some regional markets even as investors remained wary ahead of the annual central banking conference in Jackson Hole later this week.

MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.7 percent.

On Wall Street on Monday, the Dow Jones Industrial Average and the S&P 500 marked modest gains, though the Nasdaq Composite edged down slightly.

The Shanghai Composite Index advanced 0.1 percent while the blue-chip CSI300 index was up 0.3 percent.

The MSCI Asia ex-Japan materials index was 1 percent higher, buoyed by recent spot price gains.

The Australian stock market got a helping hand from strong gains for global mining giant BHP Billiton, which reported a surge in annual underlying profit to \$6.7 billion on Tuesday.

South Korean shares added 0.4 percent, despite lingering worries about tensions on the Korean peninsula.

Australian shares rose 0.4 percent, while Japan's Nikkei stock index finished down 0.05 percent.

Fed Chair Janet Yellen is scheduled to speak at the conference, but central bank observers do not expect her to give new guidance on policy.

European Central Bank President Mario Draghi will not deliver any new policy message at Jackson Hole, two sources familiar with the situation said.

**Euro Zone** – A flurry of results for heavyweight mining stocks and a plunge in Provident Financial shares injected some energy into European shares on Tuesday, with the region's benchmark indexes ending a three-day losing streak.

The pan-European STOXX 600 rose 0.8 percent, having fallen close to a five-month low in the previous session, while euro zone blue chips gained 0.9 percent, also supported by a weaker euro.

Italian blue chips fell 0.1 percent, lagging the broader market as fresh political worries put pressure on the country's government bonds.

Europe's basic resources sector enjoyed a second session of gains and was the top-gaining sector, up 1.7 percent, supported by a rally in iron ore prices.

Well-received results from miners BHP Billiton and Antofagasta also boosted the sector, rising 2.1 percent and 2 percent respectively.

Jasper Lawler, senior market analyst at London Capital Group, said it was positive that the mining firms were able to wind down some of their debt and move into a period of more sustainable profitability.

UK subprime lender Provident Financial shed 66 percent after it issued its second profit warning in two months, canceled its dividend and said that its chief executive was leaving.

"Overall, this is without doubt a disaster for a company and management team which, up until recent times, we regarded extremely highly," analysts at Shore Capital Markets said in a note, suspending their "buy" recommendation.

Shares in Provident Financial were already down around 40 percent for the year ahead of the profit warning, which took year to date losses to nearly 80 percent.

On the positive side, UK housebuilder Persimmon rose 1.8 percent after it posted a 30 percent rise in first-half profit.

A rally in Fiat Chrysler stalled after Chinese automaker Great Wall Motor affirmed its interest in the Italian-American automaker but said it had not held talks. Fiat shares touched a 19-year high before ending up 0.3 percent.

The European corporate earnings season is drawing to a close, with 87 percent of MSCI Europe firms having given updates for the second quarter.

Of these firms, more than 60 percent have either met or beaten analysts' expectations, according to Thomson Reuters data, with earnings growth for the quarter clocking in at around 24 percent compared with the same period last year.

**U.S. & Global Markets** – Global equity markets rallied on Tuesday, lifted by mining companies in Europe and surging technology shares on Wall Street, while crude oil rebounded on indications that supply is gradually tightening, especially in the United States.

U.S. stocks surged, with information technology shares rising 1.45 percent, while European shares snapped a three-day losing streak in a broad advance.

A 2.1 percent slide in the benchmark S&P 500 index over the past two weeks led investors to step in, said Dennis Dick, a proprietary trader at Bright Trading LLC in Las Vegas.

"Every time we get a pull-back it's the same damn thing," said Dick, calling market conditions the most resilient he has seen in his 18 years. "It's a 'buy the dip' mentality market and it doesn't go away. They call it a correction now, 2 percent!"

U.S. Treasury and gold prices fell ahead of an annual meeting this week of central bankers in Jackson Hole, Wyoming. Federal Reserve Chair Janet Yellen and European Central Bank President Mario Draghi are among the scheduled speakers.

A broadly resurgent U.S. dollar prompted investors to square positions in a thin market before the central bank conference, an annual event organized by the Kansas City Fed, begins on Thursday.

With investors caught between a generally benign economic backdrop that prevents too much of a sell-off without a catalyst for new highs, "We do seem to be settling into more of a range-bound market," said Larry Hatheway, chief economist at asset manager GAM.

A gauge of global equity markets, MSCI's all-country world stock index rose 0.69 percent, while its emerging markets index gained 0.83 percent.

Wall Street indexes were also helped by 1.2 percent gains in materials and healthcare stocks.

The Dow Jones Industrial Average closed up 196.14 points, or 0.9 percent, to 21,899.89. The S&P 500 gained 24.14 points, or 0.99 percent, to 2,452.51, and the Nasdaq Composite climbed 84.35 points, or 1.36 percent, to 6,297.48.

In Europe, the FTSEurofirst 300 index of leading European shares rose 0.9 percent.

British subprime lender Provident Financial tumbled 66 percent, its biggest-ever daily drop. The firm issued its second profit warning in two months, canceled its dividend and said its chief executive was leaving.

Still, the overall blue-chip FTSE 100 equity index closed up 0.94 percent, as a rally in base metals pushed copper to a three-year high and nickel to its strongest level in eight months on the London Metal Exchange.

Copper rose to \$6,642.50 a tonne, the highest level since November 2014, before paring gains to trade little changed at \$6,584.00, while three-month nickel was bid up 1.2 percent at \$11,445 a tonne.

"There's nothing really fundamental to drive things onwards from here, so I think it's a bit of misplaced euphoria and trend-following buyers jumping on the bandwagon," said Robin Bhar, head of metals research at Societe Generale in London.

Europe's basic resources sector enjoyed a second session of gains and was the top-gaining sector, supported by a rally in iron ore prices.

Benchmark 10-year U.S. Treasury notes were last down 10/32 in price to yield 2.2166 percent.

In European debt markets, Italian government bond yields jumped, stretching the gap with German bunds to a five-week high, in the wake of proposals to introduce a parallel currency in Italy that have upped the ante for elections due next year.

[\(Source Reuters – @ErwinRiset-@her1en\)](#)

## **GLOBAL ECONOMIES**

**China** – Rising corporate profits are providing Chinese policymakers with room to do more to tackle the country's growing debt problems without inflicting major damage on the economy.

Profits are increasing even though financial conditions are tightening in some significant areas of the economy; lending rates have inched higher,

regulators have clamped down against risky lending and have moved to take the heat out of the property sector.

The economy is also comfortably on course to meet the government's GDP growth target this year of around 6.5 percent.

Although it is far from certain the government will tighten credit conditions further, some economists expect policymakers to move that way once President Xi Jinping consolidates power at a key five-yearly Communist Party Congress later this year.

"There's more room to experiment (with tightening credit) ... It is the right timing and moment to do so against this backdrop of a strong growth momentum," said Andrew Fennell, the main sovereign analyst for China at Fitch Ratings.

The government has made reducing China's debt burden a priority this year after credit soared following the global financial crisis.

The International Monetary Fund warned last week that China's credit growth was on a "dangerous trajectory" and called for "decisive action." The Bank for International Settlements said in September excessive credit growth was signalling a banking crisis in the next three years.

But a few things are falling into place to ease worries that further moves to curb debt would prompt an economic and financial crisis.

Thomson Reuters data of almost 1,000 Shanghai-listed non-financial companies shows net profits rose almost 70 percent in the first quarter from the same period of 2016.

Results so far from the second-quarter earnings season suggest continued momentum on a pick-up in global trade and economic activity: Gansu Jiu Steel expects a 54 percent first-half net profit rise, while China Coal Energy expects net profit of 1.5-1.8 billion yuan from 616 million a year earlier.

For the 104 companies for which 2017 estimates are available, analysts predict a 38.25 percent overall increase in net profits, compared with 10.6 percent growth in 2016.

Annual profits either shrank or barely grew over 2011-2015, which contributed to the rapid accumulation of debt.

Benchmark policy rates have been on hold for almost two years. But average lending rates edged up to 5.67 percent in June, the highest since September 2015, from 5.53 percent in March, the second-quarter policy report from the People's Bank of China showed earlier this month.

Total social financing (TSF), a broad measure of credit and liquidity, fell to 1.22 trillion yuan in July from 1.78 trillion in June. Still, TSF grew 13.2 percent from a year earlier, suggesting authorities do not want to hit the brakes too hard.

**Japan** – A vast majority of Japanese firms do not want any further radical monetary easing, even though they believe the central bank's inflation goal will either take more than three years to achieve or is an impossible target, a Reuters poll showed.

Deflation - where consumers believe declining prices are here to stay, restraining their spending - has hobbled Japan's economy for nearly two decades, bedeviling policymakers despite drastic measures aimed at engineering a sustainable recovery.

The results of the Reuters Corporate Survey underscore the view that authorities may not have the means to bring about an escape to deflation, with respondents noting it has become too entrenched and that the mindset of a rapidly ageing but mostly middle-class population worried about pensions hinders any exit.

"Given that Japanese people are generally satisfied with the material goods they have, we have no choice but cut prices to sell more goods," a manager at an electrical machinery maker wrote in the survey.

"This trend needs to wane in order to beat deflation, but it's impossible as long as people are satisfied materially."

Despite the introduction of negative interest rates and a new approach that seeks to control the yields of government bonds, the central bank

just last month delayed for a sixth time its target for reaching 2 percent inflation - this time not until the fiscal year ending March 2020.

Even so, two-thirds of respondents in the Aug. 1-16 survey saw the inflation goal as unrealistic, with 37 percent saying the target would take more than three years to achieve and 31 percent saying it was not feasible at all.

Compared to October when the same question was asked in the monthly survey, the number of firms believing it was impossible saw a 5 percentage point uptick although the number saying it was achievable within three years also saw a 5 percentage point rise.

Pessimism about the inflation goal notwithstanding, only 14 percent of firms want the Bank of Japan to go further with monetary easing.

Forty-six percent want it to stand pat with current policy while 40 percent said they would prefer that the central bank sought some sort of exit from its ultra-easy stance.

"Under the current circumstances where effective demand is declining, pursuing an ultra-easy monetary policy including negative interest rates hardly produces positive effects. Instead it causes side effects to materialise," wrote a manager at another electrical machinery maker.

Potential side effects could include the encouragement of speculative moves in financial markets that cause bubbles.

Firms were split when asked about their overall satisfaction with the central bank's policies to date, with 52 percent of saying they were satisfied and remainder saying they were unhappy.

On the 2 percent inflation goal itself, 53 percent said it should be maintained, while 20 percent believed it should be lowered and 24 percent said it should be ditched altogether.

Further highlighting the struggle with deflation, the survey showed three-quarters of firms had no plans to lift prices of their main goods and services this financial year.

That comes despite two-thirds saying their labour costs rose in the past year. Of those, 60 percent said labour costs had risen 1-5 percent, while 5 percent said they had climbed 6-10 percent.

When asked about how they planned to cope with higher labour costs, the most popular option - picked by 42 percent of firms - was "doing nothing in particular" - a choice that could squeeze profits.

Thirty percent said they planned to invest in labour-saving technologies, and 27 percent said they would review their corporate structure and employee training. Only 15 percent opted for price hikes of their goods and services. Respondents were allowed multiple responses to the question.

The survey, conducted for Reuters by Nikkei Research, polled 548 big and mid-sized firms that reply on condition of anonymity. Some 244-250 companies answered questions about BOJ policy.

**Euro Zone** – The European Central Bank's ultra-easy monetary policy may actually reduce income inequality in Europe, ECB Vice President Vitor Constancio said on Tuesday, rejecting the argument that asset buys disproportionately benefit the wealthy.

Constancio said the ECB's stimulus measures lower unemployment and thus increase disposable income for Europe's poorest, compressing inequality, at least in the short term.

"This result confirms that, from the distributional perspective, the main impact of expansionary monetary policies is on the reduction of unemployment with positive effects on the reduction of inequality," Constancio said in Lisbon.

"(Monetary policy) measures can improve their welfare and contribute toward reducing income disparities, at least in the short-term."

But he added that such steps are likely to be temporary with the "hollowing out of the middle class" and the increasing polarisation of incomes likely continuing over the longer term.

**UK** – Britain unexpectedly posted its first budget surplus for any July since 2002 according to official data on Tuesday, welcome news for finance minister Philip Hammond in what still looks likely to be a difficult financial year for the government.

The surplus in July stood at 184 million pounds (\$236 million), compared with last year's 308 million pound deficit, the Office for National Statistics said, citing figures that exclude state-controlled banks.

The surplus was boosted by a 10.6-percent year-on-year rise in self-assessed income tax receipts from individuals in July, a month that often sees a spike in these returns.

But the year as a whole looks less promising, as last year's vote to leave the European Union has pushed up inflation and related borrowing costs, and led to slower growth since the start of 2017.

Total borrowing since the start of the financial year in April is 10 percent higher than at the same point in 2016, and in March official forecasters predicted public borrowing would rise to 2.9 percent of GDP in 2017/18.

This would be the first major break in deficit reduction since the Conservatives came to power after the worst of the financial crisis in 2010, when the deficit stood at just under 10 percent. Last year borrowing fell to a 13-year low of 2.3 percent of GDP.

While economists think Hammond is still on track to meet his borrowing targets for 2017/18, they warned that a weak economy could soon dent revenue streams like income tax.

"We expect that a degree of cyclical decline will show through in the (public finances) data in the months to come, if as we expect, unemployment begins to creep up," said Philip Shaw, economist at Investec.

**Canada** – Canadian retail sales cooled in June after three consecutive months of solid growth, but analysts said the economy's overall tone was still strong enough to warrant another interest rate hike this year.

Sales edged up 0.1 percent in June from May, Statistics Canada said on Tuesday, less than the 0.3 percent advance predicted by analysts in a Reuters poll.

The strength of the economy this year helped spur the Bank of Canada last month to raise rates for the first time in nearly seven years. Traders expect another increase in October.

Analysts noted that retail trade in volume terms rose by 0.5 percent in June and said the second quarter had ended strongly.

"We maintain a strong view that the Bank (of Canada) will hike in October," said Fred Demers and Mark McCormick of TD Securities.

Retail sales rose in six of 11 subsectors, representing 38 percent of total retail trade, to hit a record C\$48.99 billion (\$39.09 billion).

The Canadian dollar strengthened to a session high of C\$1.2526 to the U.S. dollar, or 79.83 U.S. cents, up from C\$1.2580, or 79.49 U.S. cents, before the data were released.

Sales at general merchandise stores expanded by 2.9 percent, while clothing and accessories retailers posted a 2.7 percent gain. Sales at building material, garden equipment and supplies dealers rose 2.2 percent.

Those increases though were almost wiped out by a 1.4 percent drop in sales at motor vehicle and parts dealers and a 1.8 percent decline in gas station sales. Excluding those two subsectors, retail sales grew by 1.1 percent in June. *(Source Reuters, Research – @her1en)*

## WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
<b>Mon/21-Aug-17</b>	04:00	KR	PPI YoY	Jul	3.0%	--	2.8%	
	07:00	KR	Exports 20 Days YoY	Aug	-	--	22.4%	
	07:00	KR	Imports 20 Days YoY	Aug	-	--	13.3%	
	11:30	JP	All Industry Activity Index MoM	Jun	0.4%	0.4%	-0.9%	-0.8%
	14:00	CH	Money Supply M3 YoY	Jul	4.0%	--	4.1%	
	19:30	US	Chicago Fed Nat Activity Index	Jul	-0.01	--	0.13	0.16
<b>Tue/22-Aug-17</b>	13:00	CH	Trade Balance	Jul	3.51b	--	2.81b	2.76b
	13:00	CH	Exports Real MoM	Jul	-1.7%	--	-1.9%	-1.3%
	13:00	CH	Imports Real MoM	Jul	-1.0%	--	-0.5%	-0.7%
	15:30	GB	Public Finances (PSNCR)	Jul	-3.9b	--	18.3b	18.4b
	15:30	GB	Central Government NCR	Jul	-6.9b	--	17.8b	
	15:30	GB	Public Sector Net Borrowing	Jul	-0.8b	--	6.3b	
	15:30	GB	PSNB ex Banking Groups	Jul	-0.2b	--	6.9b	
	15:30	HK	CPI Composite YoY	Jul	2.0%	--	1.9%	
	16:00	EZ	ZEW Survey Expectations	Aug	29.3	--	35.6	
	16:00	DE	ZEW Survey Current Situation	Aug	86.7	85.2	86.4	
	16:00	DE	ZEW Survey Expectations	Aug	10.0	15.0	17.5	
	19:30	CA	Retail Sales MoM	Jun	0.1%	0.2%	0.6%	
	19:30	CA	Retail Sales Ex Auto MoM	Jun	0.7%	0.1%	-0.1%	
	20:00	CN	Conference Board China July Leading Economic Index					
	21:00	US	Richmond Fed Manufact. Index	Aug	14	10	14	
<b>Wed/23-Aug-17</b>	08:10	JP	BOJ Outright Bond Purchase 1~3 Years					
	08:10	JP	BOJ Outright Bond Purchase 3~5 Year					
	08:10	JP	BOJ Outright Bond Purchase 10~25 Years					
	08:10	JP	BOJ Outright Bond Purchase 25 Years~					
	13:00	JP	Machine Tool Orders YoY	Jul F		--	26.3%	
	14:00	EZ	ECB's Draghi Speaks in Lindau, Germany					
	14:30	DE	Markit/BME Germany Manufacturing PMI	Aug P		--	58.1	
	14:30	DE	Markit Germany Services PMI	Aug P		--	53.1	
	14:30	DE	Markit/BME Germany Composite PMI	Aug P		--	54.7	
	15:00	EZ	Markit Eurozone Manufacturing PMI	Aug P		--	56.6	
	15:00	EZ	Markit Eurozone Services PMI	Aug P		--	55.4	
	15:00	EZ	Markit Eurozone Composite PMI	Aug P		--	55.7	
	20:05	US	Fed's Kaplan Speaks to Oil Group in Midland, Texas					
	20:45	US	Markit US Manufacturing PMI	Aug P		--	53.3	
	20:45	US	Markit US Services PMI	Aug P		--	54.7	
	20:45	US	Markit US Composite PMI	Aug P		--	54.6	
	21:00	EZ	Consumer Confidence	Aug A		--	-1.7	
	21:00	US	New Home Sales	Jul		610k	610k	
	21:00	US	New Home Sales MoM	Jul		0.0%	0.8%	
	21:30	US	DOE U.S. Crude Oil Inventories	Aug-18		--	-8.945m	
21:30	US	DOE Cushing OK Crude Inventory	Aug-18		--	0.678m		
21:30	US	DOE U.S. Gasoline Inventories	Aug-18		--	0.022m		
21:30	US	DOE U.S. Distillate Inventory	Aug-18		--	0.702m		
<b>Thu/24-Aug-17</b>	05:45	NZ	Trade Balance NZD	Jul		--	242m	
	05:45	NZ	Exports NZD	Jul		--	4.70b	
	05:45	NZ	Imports NZD	Jul		--	4.46b	
	05:45	NZ	Trade Balance 12 Mth YTD NZD	Jul		--	-3661m	
	07:30	JP	Nikkei Japan PMI Mfg	Aug P		--	52.1	
	N/A	KR	M3 Money Supply YoY	Jul		--	1.5%	
	N/A	KR	M2 Money Supply YoY	Jul		--	2.4%	
	N/A	KR	M1 Money Supply YoY	Jul		--	0.3%	
	N/A	KR	Current Account Balance	2Q		--	6240m	
	10:00	KR	Short-Term External Debt	2Q		--	\$115.4b	

	12:00	JP	Leading Index CI	Jun F		--	106.3	
	12:00	JP	Coincident Index	Jun F		--	117.2	
	14:15	CH	Industry & Construction Output WDA YoY	2Q		--	-1.3%	
	14:15	CH	Industrial Output WDA YoY	2Q		--	-1.3%	
	15:30	HK	Exports YoY	Jul		--	11.1%	
	15:30	HK	Imports YoY	Jul		--	10.4%	
	15:30	HK	Trade Balance HKD	Jul		--	-48.3b	
	15:30	GB	GDP QoQ	2Q P		--	0.3%	
	15:30	GB	GDP YoY	2Q P		--	1.7%	
	15:30	GB	Private Consumption QoQ	2Q P		--	0.3%	
	15:30	GB	Government Spending QoQ	2Q P		--	0.8%	
	15:30	GB	Gross Fixed Capital Formation QoQ	2Q P		--	1.2%	
	15:30	GB	Exports QoQ	2Q P		--	-1.6%	
	15:30	GB	Imports QoQ	2Q P		--	2.7%	
	15:30	GB	Index of Services MoM	Jun		--	0.2%	
	15:30	GB	Index of Services 3M/3M	Jun		--	0.4%	
	15:30	GB	Total Business Investment QoQ	2Q P		--	0.6%	
	15:30	GB	Total Business Investment YoY	2Q P		--	0.7%	
24-Aug - 27-Aug	N/A	US	Kansas City Fed hosts annual Jackson Hole Policy Symposium					
	19:30	US	Initial Jobless Claims	Aug-19		238k	232k	
	19:30	US	Continuing Claims	Aug-12		1950m	1.953m	
	21:00	US	Existing Home Sales	Jul		5.56m	5.52m	
	21:00	US	Existing Home Sales MoM	Jul		0.7%	-1.8%	
	22:00	US	Kansas City Fed Manf. Activity	Aug		--	10	
<b>Fri/25-Aug-17</b>	04:00	KR	Consumer Confidence	Aug		--	111.2	
	06:30	JP	Natl CPI YoY	Jul		--	0.4%	
	06:30	JP	Natl CPI Ex Fresh Food YoY	Jul		--	0.4%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Jul		--	0.0%	
	06:30	JP	Tokyo CPI YoY	Aug		--	0.1%	
	06:30	JP	Tokyo CPI Ex-Fresh Food YoY	Aug		--	0.2%	
	06:30	JP	Tokyo CPI Ex-Fresh Food, Energy YoY	Aug		--	-0.1%	
	06:30	JP	Japan July CPI					
	06:50	JP	PPI Services YoY	Jul		--	0.8%	
	08:10	JP	BOJ Outright Bond Purchase 5~10 Years					
	13:00	DE	GDP SA QoQ	2Q F		--	0.6%	
	13:00	DE	GDP WDA YoY	2Q F		--	2.1%	
	13:00	DE	GDP NSA YoY	2Q F		--	0.8%	
	13:00	DE	Private Consumption QoQ	2Q		--	0.3%	
	13:00	DE	Government Spending QoQ	2Q		--	0.4%	
	13:00	DE	Capital Investment QoQ	2Q		--	1.7%	
	13:00	DE	Construction Investment QoQ	2Q		--	2.3%	
	13:00	DE	Domestic Demand QoQ	2Q		--	0.2%	
	13:00	DE	Exports QoQ	2Q		--	1.3%	
	13:00	DE	Imports QoQ	2Q		--	0.4%	
	15:00	DE	IFO Business Climate	Aug		--	116	
	15:00	DE	IFO Expectations	Aug		--	107.3	
	15:00	DE	IFO Current Assessment	Aug		--	125.4	
	19:30	US	Durable Goods Orders	Jul P		-5.8%	6.4%	
	19:30	US	Durables Ex Transportation	Jul P		0.5%	0.1%	
	19:30	US	Cap Goods Orders Nondef Ex Air	Jul P		0.3%	0.0%	
	19:30	US	Cap Goods Ship Nondef Ex Air	Jul P		--	0.1%	
<b>Sat/26-Aug-17</b>	00:00	US	Baker Hughes U.S. Rig Count	Aug-25		--	946	

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

## ASIAN STOCK INDICATORS – *Daily Outlook*

**Japanese stocks** inched down on Tuesday to cap their fifth straight day in the red amid lingering tensions on the Korean peninsula, though a strong rally in metals-linked shares helped steady the broader market.

The Nikkei share average inched down 0.05 percent to 19,383.84 after traversing negative and positive territory. The index fell for the fifth day to mark its longest losing streak since April 2016.

The broader Topix, however, added 0.06 percent to 1,596.12.

Investors were cautious as the United States and South Korea began long-planned joint military exercises on Monday, heightening tensions with North Korea which called the drills a "reckless" step toward nuclear conflict.

Volume of the broader market hit a three-month low of 1.315 billion shares, while turnover dropped to a four-month low of 1.714 trillion yen.

"Investors are staying on the sidelines amid geopolitical uncertainty. I don't think the market will see a sharp sell-off for now, but the mood is tense," said Isao Kubo, equity strategist at Nissay Asset Management.

Furthermore, Kubo said investors are holding their bets as they look for monetary policy insights from this week's meeting of global central banks at Jackson Hole, Wyoming, where Federal Reserve Chair Janet Yellen is due to speak.

Tokyo's non-ferrous metals sub-sector was up 1.1 percent with prices of copper having hit a near three-year peak and other industrial metals like zinc and nickel also buoyant.

Smelters Mitsubishi Materials Corp and DOWA Holdings Co added 1.6 percent and 2.5 percent, respectively. Toho Titanium climbed 2 percent.

Sumitomo Metal Mining rose as much as 4 percent to more than a 2-year high after the company said that it plans to install verification facilities for the mass production of high-purity nickel oxide powder to be used in fuel cell electrodes.

Demand for components related to fuel cell batteries are expected to increase along with the popularity of electric vehicles.

With iron ore prices soaring to multi-month highs the iron and steel subsector climbed 1.5 percent.

Major ferro-alloy maker Nippon Denko Co climbed 4.3 percent. Kogi Corp, a manufacturer of steel ingot moulds and steel rolling products, rose 2.3 percent. Komatsu Ltd, which produces iron ore-hauling trucks, rose 1.1 percent.

Elsewhere, real estate shares advanced, with Mitsui Fudosan rising 0.7 percent, while Mitsubishi Estate gained 0.6 percent.

**South Korean shares** and won both ended around two-week highs on Tuesday as tensions between the United States and North Korea eased, prompting investors to move back into riskier assets.

However, gains were tempered by caution ahead of the Federal Reserve's annual central banking conference in Wyoming later this week.

The Korea Composite Stock Price Index (KOSPI) closed up 0.4 percent at 2,365.33 points, the highest closing level since Aug. 9.

Domestic institutions added a net 89.3 billion won (\$78.77 million) worth of KOSPI shares to their portfolios, offsetting foreign selling of worth a net 25.8 billion won.

The South Korean won was given additional support from exporters' increased month-end dollar-selling.

The won ended onshore trade at 1,133.8 to the dollar, its strongest closing level since Aug. 8. It was up 0.5 percent on the day.

**Hong Kong stocks** ended higher for a second straight day on Tuesday, supported by upbeat earnings at some Chinese developers and modest gains on Wall Street.

The Hang Seng index rose 0.9 percent, to 27,401.67 points, while the China Enterprises Index gained 1.9 percent, to 10,954.92 points.

China Overseas Land & Investment Ltd was one of the top winners among Hang Seng constituents.

Its shares finished 3.73 percent higher after it said it would raise its full-year sales target by 10 percent and work to boost rental income. It reported a 26-percent rise in first-half profit on Monday.

Gains in China Overseas Land & Investment Ltd also lifted the performance of the property sector. A sub-index that tracks Hong Kong-listed property and construction companies finished 1.16 percent higher.

Shares of Country Garden Holdings Company Ltd, China's top property developer by sales, rose 1.67 percent after the company reported an almost 35 percent rise in its core profit over the first six months of the year, helped by a property boom.

Analysts said the Hang Seng also gained some slight support from Wall Street overnight. On Monday, the Dow Jones Industrial Average and the S&P 500 marked modest gains, though the Nasdaq Composite edged down slightly.

**China stocks** ended higher as a unit of China Unicom surged by the daily limit for a second day, and as financial and materials firms also experienced strong gains.

The blue-chip CSI300 index rose 0.3 percent, to 3,752.57 points, while the Shanghai Composite Index gained 0.1 percent, to 3,291.03 points.

China United Network Communications Ltd shares rose 10 percent for a second consecutive day of limit-up trade.

Shares in the China Unicom unit have risen following a statement from the China Securities Regulatory Commission on Sunday that it would treat China Unicom's \$11.7 billion ownership reform plan "as an exceptional case", granting it approval.

Earlier, Chinese media speculated that the plan would violate rules on private placements.

China Molybdenum Co Ltd, a major non-ferrous metals producer, added 6.6 percent. Despite the rise, its shares are down 7.8 percent this month after gaining nearly 43 percent in July.

On Aug. 28, China Molybdenum is due to announce second-quarter earnings.

Ping An Insurance Group Co of China Ltd led gains among financial firms, rising 4.1 percent.

The financial sub-index rose 1 percent for the day.

*(Source Reuters, Research: @ErwinRiset)*

### ASIA AND GLOBAL MARKET SPOT PRICE 2016

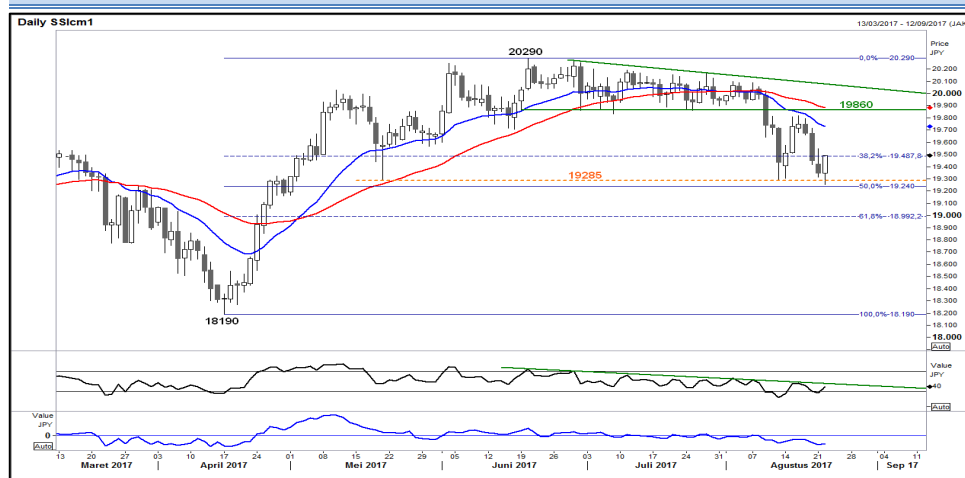
HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	309.32 (29/May/2017)	31958.41 (30/Oct/07)	21169.11 (01/Mar/2017)	2400.98 (01/Mar/2017)	6124.04400 (16/Oct./07)
<b>2016 HIGH</b>	19592.90 (21/Dec/16)	264.42 (21/Dec/16)	24364.00 (09/Sep/16)	19987.63 (20/Dec/16)	2277.53 (13/Dec/16)	3538.68940 (04/Jan/16)
<b>2017 HIGH</b>	20318.11 (20/June/2017)	322.16 (25/Jul/2017)	27876.12 (09/Aug/2017)	22179.11 (08/Aug/2017)	2490.87 (08/Aug/2017)	3305.43130 (02/Aug/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 – 22 August 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	21899.89	↑ 196.14/ 0.90%	.N225	19383.84	↓ 9.29/0.05%
/.SPX	2452.51	↑ 24.14/ 0.99%	.KS200	309.34	↑ 1.20/0.39%
/.IXIC	6297.478	↑ 84.351/ 1.36%	.HSI	27401.67	↑ 246.99/0.91%
JPY=	109.56	↑ 0.59/ 0.54%	/.SSEC	3291.02540	↑ 4.11990/0.13%
KRW=	1131.38	↓ 6.33/ 0.56%	/CLc1 (Oil)	47.65	↑ 0.28/0.59%



**SSlamU7 (Nikkei Sep Futures) – Last Trading Date: 11 Sep 2017**



- Rebound developed after the support area at 19285 was able to dampen pressure
  - Rebound faced resistance area at 19535 - 19604
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
22 Aug SSIpmU7	19385	19490	19330	160	19490	---	↑ 125	0.65	20037
22 Aug SSIamU7	19370	19420	19330	90	19365	19365	↑ 20	0.10	42802
21 Aug SSIpmU7	19345	19365	19255	110	19335	---	↓ 10	0.05	24237
21 Aug SSIamU7	19520	19520	19320	200	19345	19345	↓ 105	0.54	53104
18 Aug SSIpmU7	19420	19545	19315	230	19455	---	↑ 5	0.03	35663
18 Aug SSIamU7	19480	19525	19415	110	19450	19450	↓ 225	1.14	61977
17 Aug SSIpmU7	19675	19715	19470	245	19470	---	↓ 205	1.04	28628
17 Aug SSIamU7	19685	19720	19660	60	19675	19675	↓ 75	0.38	36511
16 Aug SSIpmU7	19750	19795	19680	115	19710	---	↓ 40	0.20	17845
16 Aug SSIamU7	19710	19755	19700	55	19750	19750	↑ 20	0.10	32778

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
19520	19255	20100	19255	20200	19830	20290	18190
(21/Aug)	(21/Aug)	(02/Aug)	(21/Aug)	(03/Jul)	(07/Jul)	(20/Jun)	(17/Apr)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	19860	Pivot line
	19820	Reaction high (hourly)
	19720	High 17/Aug/2017
	19545	Reaction high (hourly)
<b>SUPPORT</b>	19255	Bottom (hourly)
	19160	Low 28/Apr/2017 (Reaction low)
	19055	Low 26/Apr/2017
	18850	Low 28/Apr/2017
<b>RECOMMENDATION</b>	BUY	----
	SELL	19470
	STOP LOSS	19560
	TARGET	19335
		19250

### KSU7 (Kospi Sep Futures) – Exp. Date: 14 Sep 2017



- Rebound faces a crucial resistance at 310.35
- Uptick target around 312.50 - 314.90
- Important support at 306.30  
(Research – @ErwinRiset)

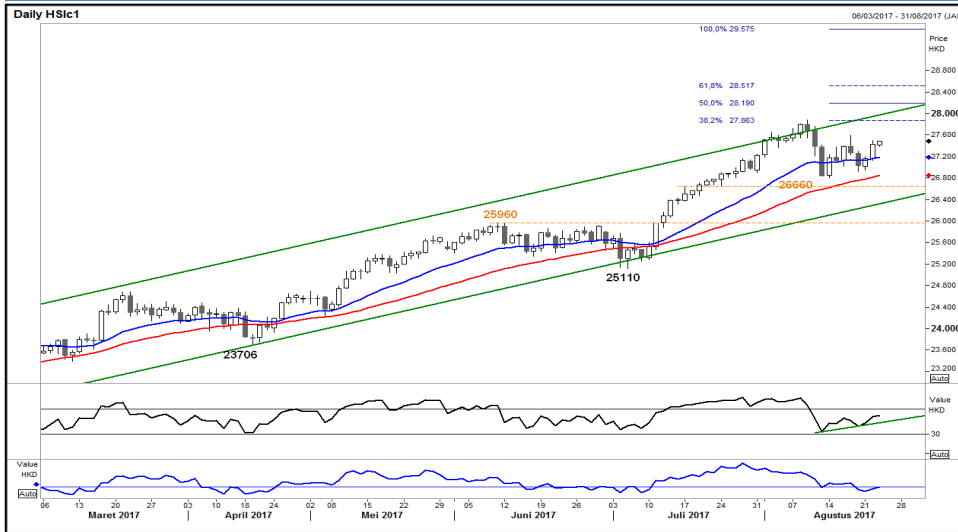
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
22 Aug	308.90	310.35	308.90	1.45	310.05	310.05	↑ 1.65	0.54	118898
21 Aug	309.75	309.80	307.90	1.90	308.40	308.40	↓ 0.70	0.23	147682
18 Aug	306.50	309.30	306.30	3.00	309.10	309.10	↓ 0.15	0.05	178616
17 Aug	308.20	309.85	307.30	2.55	309.25	309.25	↑ 1.65	0.54	193569
16 Aug	308.75	309.15	307.10	2.05	307.60	307.60	↑ 1.65	0.54	171426
15 Aug		H	O	L	I	D	A	Y	

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
310.35 (22/Aug)	307.90 (21/Aug)	319.45 (01/Aug)	302.30 (11/Aug)	322.75 (25/Jul)	310.35 (05/Jul)	322.75 (25/Jul)	259.25 (02/Jan)

#### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	316.20	High Aug 08
	312.70	High 09/Aug/2017
	311.20	Reaction high (hourly)
	310.35	High 10/Aug/2017
<b>SUPPORT</b>	308.90	Low 22/Aug/2017
	307.90	Low 21/Aug/2017
	306.30	Low 18/Aug/2017 (Reaction low)
	305.50	Pivot line
<b>RECOMMENDATION</b>	BUY	309.40
	SELL	----
	STOP LOSS	308.50
	TARGET	311.55 312.65

### HSIQ7 (Hang Seng August Futures) – Exp. Date: 30 Aug 2017



- Rebound develops facing psychological level of 27600
- Short-term resistance at 27774, while strong resistance at 27880
- While the important support around 26900 – 26800  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
22 Aug	27290	27495	27280	215	27429	27429	↑ 271	1.00	106385
21 Aug	27045	27199	27021	178	27158	27158	↑ 126	0.47	108076
18 Aug	27055	27218	26924	294	27032	27032	↓ 238	0.87	133329
17 Aug	27566	27580	27233	347	27270	27270	↓ 116	0.42	134,964
16 Aug	27075	27397	27036	361	27387	27386	↑ 260	0.96	114586
15 Aug	27302	27375	27097	278	27127	27127	↓ 48	0.18	126107
14 Aug	27084	27234	27006	228	27175	27173	↑ 333	1.24	120061

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
27495	27021	27808	26834	27241	25110	27808	21863
(22/Aug)	(21/Aug)	(08/Aug)	(11/Aug)	(31/Jul)	(05/Jul)	(08/Aug)	(03/Jan)

#### ANALYSIS & RECOMMENDATION

RESISTANCE	28178	High 28/May/2015
	27880	Peak level
	27774	Reaction high (hourly)
	27594	High 17/Aug/2017 (Peak)
SUPPORT	27375	Reaction low (hourly)
	27130	Reaction low (hourly)
	27066	Reaction low (hourly)
	26924	Bottom (hourly)
RECOMMENDATION	BUY	27405
	SELL	----
	STOP LOSS	27330
	TARGET	27600 27740

## CURRENCIES – *Daily Outlook*

### Dollar advances as euro falters ahead of Jackson Hole meeting - Reuters News



The dollar rallied on Tuesday after falling for two straight days, benefiting from the euro's decline following weaker-than-expected euro zone data as well as investors adjusting positions ahead of a global central bankers' conference this week.

The U.S. currency posted its largest daily percentage gain in more than two weeks against the euro, and its best one-day rise in

one week versus the yen.

"The heavy short positioning on the dollar and some of the foreign growth momentum stabilizing, but still doing well, have created the potential for a mini-dollar rally," said Alessio de Longis, portfolio manager for the Global Multi-Asset Group at Oppenheimer Funds in New York.

"We're beginning to see that, with profit-taking on some heavy short dollar positions," he added.

A gathering of global central bankers later this week in Jackson Hole, Wyoming has also prompted investors to balance their currency positions ahead of the event, leading them to reduce some of their short dollar bets.

Investors are awaiting speeches from Fed Chair Janet Yellen and European Central Bank President Mario Draghi in Jackson Hole, although neither of the officials is expected to announce new policy messages.

"Draghi has already signaled the intent to address balance sheet concerns in the autumn, which we interpret to mean the October meeting," said Mazzen Issa, senior FX strategist, at TD Securities in New York.

"This should leave Draghi more inclined to tiptoe around the policy outlook that implies tighter financial conditions," he added.

The dollar's rise on Tuesday was led by gains against the euro, which weakened after a German investor confidence index fell in August.

The Mannheim-based ZEW research institute said its monthly survey showed its economic sentiment index fell to 10.0 from 17.5 in July. This undershot a Reuters consensus forecast for a fall to 15.0.

In late trading, the dollar index rose 0.5 percent against six major currencies to 93.549.

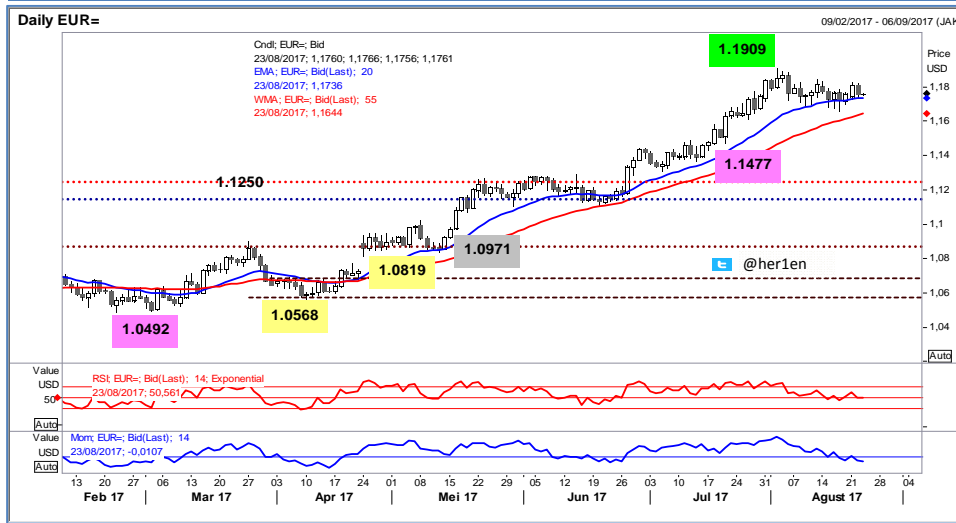
The euro, meanwhile, slid 0.5 percent to \$1.1749, retracing most of its overnight gains when it posted its biggest single-day rise so far this month.

"Our bias in these thin markets is to sell the euro on rallies against the dollar as we think underlying positioning is still quite stretched," said Adam Cole, chief currency strategist at RBC Capital Markets in London.

With bullish bets on the euro at a near five-year high, according to latest positioning data, some investors think the euro's strength may likely fade given the central bank's recent cautious stance about the currency. [\(Source Reuters, Research – @her1en\)](#)

## EUR/USD

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



- Primary support at the 1.1610 level
- Daily RSI is down
- Strong resistance at 1.2110  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 22	1.18123	1.18232	1.17440	79,2	1.17603	↓ 53,5	1.18138
Aug 21	1.17527	1.18629	1.17299	133,0	1.18138	↑ 58,1	1.17557
Aug 18	1.17247	1.17732	1.17073	65,9	1.17557	↑ 35,0	1.17207
Aug 17	1.17700	1.17887	1.16611	127,6	1.17207	↓ 43,7	1.17644
Aug 16	1.17346	1.17775	1.16801	97,4	1.17644	↑ 31,4	1.17330

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.18629 (21/Aug)	1.17299 (21/Aug)	1.19091 (02/Aug)	1.16611 (17/Aug)	1.18444 (31/Jul)	1.13112 (05/Jul)	1.19091 (02/Aug)	1.0342 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.2254	High Dec 25, 2014
	1.2108	High Jan 02, 2015
	1.1968	High Jan 06, 2015
	1.1889	High Aug 04
SUPPORT	1.1729	Low Aug 21
	1.1661	Low Aug 17
	1.1611	Low Jul 26
	1.1477	Low Jul 20
RECOMMENDATION	BUY	-----
	SELL	1.1780
	STOP LOSS	1.1845
	TARGET	1.1710 1.1680

## USD/JPY

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



- The support area at 108.81 is still quite effective to reduce the pressure
  - Beware of a limited rebound with daily trend still tends bearish if fails to breakout 110
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 22	108.939	109.642	108.882	76,0	109.542	↑ 58,6	108.956
Aug 21	109.384	109.410	108.624	78,6	108.956	↓ 29,6	109.252
Aug 18	109.429	109.587	108.591	99,6	109.252	↓ 34,2	109.594
Aug 17	110.107	110.359	109.434	92,5	109.594	↓ 58,3	110.177
Aug 16	110.570	110.936	110.018	91,8	110.177	↓ 46,1	110.638

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
109.642 (22/Aug)	108.624 (21/Aug)	111.038 (04/Aug)	108.591 (18/Aug)	114.482 (11/Jul)	110.203 (31/Jul)	118.60 (03/Jan)	108.14 (17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	111.70	High 27/Jul/2017
	111.33	High 28/Jul/2017
	111.04	High 04/Aug/2017 (Reaction high)
	110.36	High 17/Aug/2017
SUPPORT	108.58	Low 18/Aug/2017 (Reaction low)
	108.11	Low 17/Apr/2017 (Bottom)
	107.74	Low 15/Nov/2016
	106.51	Low 14/Nov/2016
RECOMMENDATION	BUY	109.15
	SELL	----
	STOP LOSS	108.40
	TARGET	110.10 110.50

## GBP/USD

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



- Important support at 1.2808 is being tested, if the level breaks, it will trigger a correction to the next support area at 1.2703
- While important resistance is at 1.2916 - 1.2950

[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 22	1.28971	1.29076	1.28098	97,8	1.28212	↓ 75,6	1.28968
Aug 21	1.28713	1.29151	1.28492	65,9	1.28968	↑ 25,3	1.28715
Aug 18	1.28667	1.29164	1.28304	86,0	1.28715	↑ 8,1	1.28634
Aug 17	1.28879	1.29077	1.28514	56,3	1.28634	↓ 23,8	1.28872
Aug 16	1.28686	1.29020	1.28406	61,4	1.28872	↑ 21,2	1.28660

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.29151 (21/Aug)	1.28098 (22/Aug)	1.32665 (03/Aug)	1.28098 (22/Aug)	1.32237 (31/Jul)	1.28106 (12/Jul)	1.32665 (03/Aug)	1.1986 (16/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.3164	High 04/Aug/2017
	1.3060	High 07/Aug/2017
	1.3022	Reaction high (hourly)
	1.2950	Pivot line (hourly)
SUPPORT	1.2808	Low 12/Jul/2017
	1.2703	Low 26/Jun/2017
	1.2639	Reaction low (hourly)
	1.2587	Low 21/Jun/2017 (Bottom)
RECOMMENDATION	BUY	----
	SELL	1.2870
	STOP LOSS	1.2960
	TARGET	1.2780 1.2710

## USD/CHF

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



- Rebound faces a crucial level of 0.9700, with resistance area at 0.9772
- Consider the trendline support area around 0.9600, with important support at 0.9582  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 22	0.96174	0.96873	0.96165	70,8	0.96822	↑ 64,6	0.96176
Aug 21	0.96511	0.96842	0.95993	84,9	0.96176	↓ 29,7	0.96473
Aug 18	0.96214	0.96685	0.95851	83,4	0.96473	↑ 19,5	0.96278
Aug 17	0.96516	0.96970	0.96039	93,1	0.96278	↓ 28,5	0.96563
Aug 16	0.97192	0.97644	0.96470	117,4	0.96563	↓ 68,2	0.97245

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.96873 (22/Aug)	0.95993 (21/Aug)	0.97715 (08/Aug)	0.95821 (11/Aug)	0.97256 (28/Jul)	0.94372 (21/Jul)	1.0335 (03/Jan)	0.94372 (21/Jul)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.9861	High 17/May/2017
	0.9825	High 18/May/2017
	0.9808	High 30/May/2017 (Reaction high)
	0.9772	High 08/Aug/2017 (Reaction high)
SUPPORT	0.9582	Low 11/Aug/2015 (Reaction low)
	0.9489	Low 27/Jul/2017
	0.9436	Low 21/Jul/2017 (Bottom)
	0.9251	Low Aug 24, 2915
RECOMMENDATION	BUY	0.9640
	SELL	----
	STOP LOSS	0.9570
	TARGET	0.9710
		0.9770



## AUD/USD

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



- Trendline resistance around 0.8170
  - The support area around 0.7720 - 0.7630
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 22	0.79361	0.79496	0.78965	53,1	0.79102	↓ 25,0	0.79352
Aug 21	0.79277	0.79495	0.79095	40,0	0.79352	↑ 4,2	0.79310
Aug 18	0.78864	0.79431	0.78686	74,5	0.79310	↑ 50,5	0.78805
Aug 17	0.79288	0.79616	0.78793	82,3	0.78805	↓ 42,1	0.79226
Aug 16	0.78214	0.79328	0.78157	117,1	0.79226	↑ 101,8	0.78208

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.79496 (22/Aug)	0.78965 (22/Aug)	0.80416 (01/Aug)	0.78067 (15/Aug)	0.80646 (27/Jul)	0.75698 (05/Jul)	0.80646 (27/Jul)	0.7182 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.8295	High Jan 15, 2015 (Reaction high)
	0.8162	High May 14, 2015
	0.8065	High July 27
	0.7992	High Aug 02
SUPPORT	0.7866	Low Aug 18
	0.7812	Low Aug 16
	0.7721	Low July 14
	0.7630	Low July 12
ECOMMENDATION	BUY	-----
	SELL	0.7935
	STOP LOSS	0.7995
	TARGET	0.7865 0.7835

## NZD/USD

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



- There was a correction in the daily movement
- With daily RSI is down  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 22	0.73261	0.73337	0.72718	61,9	0.72774	↓ 48,6	0.73260
Aug 21	0.73057	0.73361	0.73055	30,6	0.73260	↑ 14,6	0.73114
Aug 18	0.72849	0.73340	0.72744	59,6	0.73114	↑ 29,6	0.72818
Aug 17	0.73116	0.73339	0.72794	54,5	0.72818	↓ 29,5	0.73113
Aug 16	0.72393	0.73171	0.72220	95,1	0.73113	↑ 77,3	0.72340

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.73361 (21/Aug)	0.72718 (22/Aug)	0.75239 (01/Aug)	0.72220 (16/Aug)	0.75570 (27/Jul)	0.72005 (11/Jul)	0.75570 (27/Jul)	0.68166 (11/May)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.7524	High Aug 01
	0.7473	High Aug 02
	0.7454	High Aug 04
	0.7371	High Aug 10
SUPPORT	0.7222	Low Aug 16
	0.7112	Low June 05
	0.7054	Low June 01
	0.7005	Low May 26
RECOMMENDATION	BUY	-----
	SELL	0.7300
	STOP LOSS	0.7365
	TARGET	0.7230 0.7200

## EUR/JPY

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



- Still able to stay above the crucial level of 128
- Rebound faces crucial resistance at 129.50
- The important support at 127.42  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 22	128.676	129.153	128.301	85,2	128.843	↑ 12,3	128.720
Aug 21	128.556	128.763	127.806	95,7	128.720	↑ 28,6	128.434
Aug 18	128.307	128.760	127.532	122,8	128.434	↑ 1,8	128.416
Aug 17	129.597	129.676	128.341	133,5	128.416	↓ 121,2	129.628
Aug 16	129.743	130.368	129.490	87,8	129.628	↓ 20,6	129.834

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
129.153	127.806	131.373	127.532	130.739	127.971	130.739	114.87
(22/Aug)	(21/Aug)	(02/Aug)	(18/Aug)	(11/Jul)	(06/Jul)	(11/Jul)	(17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	131.65	High 04/Feb/2016 (Reaction high)
	131.39	High 02/Aug/2017 (Peak)
	130.38	High 16/Aug/2017 (Peak)
	129.71	High 17/Aug/2017
SUPPORT	127.82	Low 21/Aug/2017
	127.42	Low 06/Jul/2017 (Reaction low)
	126.47	Low 28/Jun/2017
	124.72	Low June 27
RECOMMENDATION	BUY	128.35
	SELL	----
	STOP LOSS	127.65
	TARGET	129.25
		129.70

### USD/CAD

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



- Daily trend is bearish, with correction facing a strong support at 1.2412
- Beware of RSI near the oversold zone, potential for a limited correction if the area of 1.2412 is intact
- While short-term resistance at 1.2778  
[\(Research – @ErwinRiset\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2566</b>	<b>1.2561</b>

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2606 (21/Aug)	1.2522 (22/Aug)	1.2778 (15/Aug)	1.2448 (01/Aug)	1.3014 (05/Jul)	1.2412 (26/Jul)	1.3793 (05/May)	1.2412 (26/Jul)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.2943	High 11/Jul/2017 (Reaction high)
	1.2778	High 15/Aug/2017
	1.2740	Reaction high (hourly)
	1.2691	Peak (hourly)
<b>SUPPORT</b>	1.2444	Reaction low (hourly)
	1.2412	Bottom
	1.2302	Low 29/Jun/2015 (Reaction low)
	1.2210	Low 19/Jun/2015
<b>RECOMMENDATION</b>	BUY	----
	SELL	1.2605
	STOP LOSS	1.2700
	TARGET	1.2500 – 1.2450

## Precious Metal – *Daily Outlook*

### Gold eases, palladium falls from 16-1/2-year high - Reuters News



Gold prices fell on Tuesday, pressured by the stronger U.S. dollar ahead of an annual meeting of central bankers this week, while palladium fell from its highest level since February 2001.

Spot gold was down 0.4 percent at \$1,285.25 an ounce by 2:15 p.m. EDT (1815 GMT), holding near last week's peak at \$1,300.80, its highest since early November. U.S. gold futures settled down 0.4 percent at \$1,291.

Investors awaited speeches by European Central Bank President Mario Draghi and U.S. Federal Reserve Chair Janet Yellen on Friday at Jackson Hole, Wyoming, for clues

to the direction of interest and currency rates.

The firm greenback makes dollar-denominated commodities more expensive for holders of other currencies, which could subdue demand.

"Draghi could take the opportunity to downplay the idea of monetary tightening in the euro zone, which would have a dampening effect on the euro and lift the dollar," said Julius Baer analyst Carsten Menke.

"From the Fed's perspective, we think they are not too concerned about weaker than expected inflation readings...It's pretty clear the Fed needs to raise rates."

The Federal Reserve next meets on Sept. 19-20. Fed funds futures prices show traders see a 42 percent chance of an interest rate increase by the December meeting, with a marginal chance of a rate cut, according to CME Group's FedWatch tool.

"Dovish monetary policy, especially from the Fed, and/or significant escalation of geopolitical risks are potential triggers. We expect the former to have a more durable price impact," said Joni Teves, strategist for UBS, in reference to what could drive gold prices above \$1,300.

Preventing deeper losses were tensions between North Korea and the United States. U.S. forces began long-planned joint military drills with South Korea on Monday. North Korea said the drills were a step towards nuclear conflict.

Palladium was down 1.2 percent at \$927.75 an ounce, after rising to \$940, matching the prior session's peak and the highest level since February 2001.

"Palladium has been pushed up by speculative funds. There is nothing in the fundamentals to justify these levels," a precious metals trader said, adding that a slowdown in U.S. auto sales over coming months would spike the bubble.

Both platinum and palladium are used to make autocatalysts.

But platinum is predominantly used in diesel engines and palladium in gasoline engines, which dominate the U.S. market.

Silver was down 0.2 percent to \$16.94 an ounce, and platinum slipped 0.6 percent to \$971.95.

*(Source Reuters, Research – @her1en)*

## GOLD (XAU/USD)



- Daily RSI is flat
- The main resistance at 1337, support 1251
- Correction in daily  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Aug 22	1290.600	1292.430	1281.860	10.57	1284.790	↓ 6.93	1291.720	1285.10	1284.20
Aug 21	1281.540	1293.660	1281.510	12.15	1291.720	↑ 4.15	1287.570	1287.60	1292.90
Aug 18	1288.690	1300.660	1283.440	17.22	1287.570	↓ 0.19	1287.760	1295.25	1295.80
Aug 17	1283.520	1289.990	1281.610	8.38	1287.760	↑ 4.85	1282.910	1285.90	1285.15
Aug 16	1271.500	1283.650	1267.610	16.04	1282.910	↑ 11.71	1271.200	1270.15	1272.75

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1293.660 (21/Aug)	1281.510 (21/Aug)	1300.660 (18/Aug)	1251.380 (08/Aug)	1270.680 (28/Jul)	1204.690 (10/Jul)	1300.660 (18/Aug)	1146.31 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1339.56	High Sept 27, 2016
	1337.40	High Sept 09, 2016
	1308.00	Trendline resistance
	1300.80	High Aug 18
SUPPORT	1280.20	Low Aug 21
	1267.81	Low Aug 16
	1260.56	Low Aug 09
	1251.01	Low Aug 05
RECOMMENDATION	BUY	-----
	SELL	1286.00
	STOP LOSS	1298.00
	TARGET	1276.00 1271.50

## SILVER (XAG/USD)



- Short-term resistance around 17.70
  - Strong support at 16.10
  - Daily RSI flat
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 22	16.991	17.105	16.866	0.24	16.973	↓ 0.03	16.998
Aug 21	16.871	17.112	16.863	0.25	16.998	↓ 0.02	17.021
Aug 18	17.045	17.304	16.907	0.40	17.021	FLAT	17.020
Aug 17	17.108	17.163	16.959	0.20	17.020	↓ 0.09	17.105
Aug 16	16.639	17.116	16.608	0.51	17.105	↑ 0.49	16.615

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.112	16.863	17.304	16.108	16.860	14.334	18.63	14.334
(21/Aug)	(21/Aug)	(18/Aug)	(07/Aug)	(31/Jul)	(07/Jul)	(17/Apr)	(07/Jul)

### ANALYSIS & RECOMMENDATION

RESISTANCE	18.43	High Apr 18
	18.00	High Apr 25
	17.75	High June 06 (Reaction high)
	17.31	High June 14
SUPPORT	16.80	Low Aug 21
	16.59	Low Aug 16
	16.42	Low Aug 09
	16.19	Low Aug 08
ECOMMENDATION	BUY	----
	SELL	17.00
	STOP LOSS	17.25
	TARGET	16.65
		16.45

## OIL – Daily Outlook

### Oil prices climb as traders eye another U.S. crude drawdown - Reuters News



Oil inched up on Tuesday, lifted by expectations of another crude stockpile drawdown in the United States but price gains were limited amid the reopening of Libya's largest oil field.

Prices, however, pared gains in post settlement trade and Brent crude turned negative as the market was disappointed by industry data from the American

Petroleum Institute showing a crude stockpile decline largely in line with expectations and a surprise build in gasoline inventories.

U.S. crude inventories were expected to have fallen 3.5 million barrels last week, the eighth straight weekly drawdown, and gasoline to have drawn down by over 600,000 barrels, a Reuters poll showed, ahead of weekly data.

Official government inventory data for last week will be released on Wednesday at 10:30 a.m. EDT (1430 GMT).

Brent crude settled 21 cents, or 0.4 percent, higher at \$51.87 a barrel.

Book-squaring ahead of the U.S. crude September contract's expiry on Tuesday added to price gains, traders and brokers said.

U.S. crude futures for September delivery, [CLU7](#) closed 27 cents, or 0.6 percent, higher at \$47.64 while the more active October contract ended the session up 30 cents at \$47.83.

U.S. gasoline futures also led the complex higher for most of the session and settled up 0.4 percent at \$1.5908 a gallon as forecasts for heavy rain associated with the remnants of former tropical storm Harvey threatened to cause refinery flooding, traders said.

A tropical depression is expected to form over the southwestern Gulf of Mexico on Wednesday or Thursday.

"Traders of crude oil and gasoline will also have particular interest in the remnants of Tropical Storm Harvey expected to strengthen to Category 1 hurricane status as it crosses the Gulf of Mexico toward a possible Friday landfall on the Texas Coast," Tim Evans, Citi Futures' energy futures specialist, said in a note.

"While not a major storm, this will at least serve as a drill for refiners along the coast, in our view."

Libya's Sharara oil field was gradually reopening after its latest shutdown, field workers said. Earlier in the day an oil official said it was shut again hours after reopening on Tuesday following a three-day pipeline blockade.

Sharara, which has been pumping up to 280,000 barrels per day (bpd) in recent weeks, has been affected by repeated shutdowns because of protests by armed groups and oil workers.

The Organization of the Petroleum Exporting Countries and non-OPEC producers including Russia have pledged to hold back about 1.8 million barrels per day (bpd) of output between January this year and March 2018 in order to tighten supplies and prop up prices.

Meanwhile, U.S. crude production has broken through 9.5 million bpd, its highest since July 2015.

Some analysts say U.S. oil output growth will slow as energy firms cut the number of rigs drilling for oil.

Still U.S. commercial crude inventories have fallen by almost 13 percent from their March peaks, to 466.5 million barrels as refineries have continually processed record amounts of oil.

"Another decline in U.S. crude stocks may push prices somewhat higher again, but the upside may be limited - especially if U.S. crude production ticks higher again," said Hans van Cleef, energy economist at ABN AMRO.

*(Source Reuters, Research – @her1en)*



**CLV7/USD (OIL)**  
 (Exp.: 22 Sep. 2017 - Reuters)



- Correction seen in daily
  - Important resistance at 50.70
  - Primary support around 44.90
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Aug 22 (CLV7)	47.57	48.19	47.35	0.84	47.61	↑ 0.06	47.55
Aug 21 (CLV7)	48.77	48.85	47.20	1.65	47.55	↓ 1.30	48.85
Aug 18 (CLV7)	47.05	48.88	46.92	1.96	48.85	↑ 1.79	47.06
Aug 18 (CLU7)	46.92	48.72	46.77	1.95	48.68	↑ 1.77	46.91
Aug 17 (CLV7)	46.96	47.32	46.61	0.71	47.06	↑ 0.14	46.92
Aug 17 (CLU7)	46.78	47.17	46.45	0.72	46.91	↑ 0.15	46.76

WEEKLY		AUGUST		JULY		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
48.85	47.20	50.41	46.45	50.39	43.64	55.22	42.04
(21/Aug)	(21/Aug)	(01/Aug)	(17/Aug)	(31/Jul)	(10/Jul)	(03/Jan)	(21/Jun)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	53.82	High Apr 19
	52.38	High May 25
	50.70	High 30/May/2017 (Reaction high)
	49.16	High Aug 14
<b>SUPPORT</b>	46.38	Low Jul 25
	44.90	Reaction low (hourly)
	43.83	Low July 10
	42.27	Low June 21
<b>RECOMMENDATION</b>	BUY	-----
	SELL	47.95
	STOP LOSS	48.90
	TARGET	46.65
		46.15