



Daily Bulletin

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

Research Department

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GLOBAL MARKETS & ECONOMIES

GLOBAL MARKETS

- Asian stocks posted their biggest daily rise in a month on Monday following modest gains in U.S. shares, though the greenback came under renewed pressure as Washington's political turmoil undermines confidence in U.S. economic policy.
- European share prices steadied on Monday as fresh political concerns in Spain weighed, although merger and acquisition (M&A) activity underpinned broader regional benchmarks.
- The dollar slipped to a more than six-month low on Monday, weighed down by an uncertain U.S. political climate, while oil prices rose on expectations that crude output cuts would continue and the euro surged.

GLOBAL ECONOMIES

- New Zealand is set to unveil a better-than-expected budget surplus on Thursday and will target any spare cash on infrastructure and housing as the centre-right government tries to woo voters ahead of national elections this year.
- Asian countries disagreed over a China-backed free trade deal at talks on Monday, raising questions over a target for concluding negotiations by the end of the year.
- Japan's exports rose in April to mark their fifth straight month of gains, as shipments of semiconductors and steel expanded, signalling that more robust overseas demand could underpin a steady economic recovery.
- Euro zone countries improved their fiscal stance, a sign of growing financial stability, the EU Commission said on Monday, but it called on France to take new action to comply with EU deficit limits and warned Italy faced "urgent" challenges.
- British Prime Minister Theresa May was forced to publicly backtrack on one of her most striking election pledges on Monday after plans to force elderly people to pay more for their social care halved her party's opinion poll lead in just a few days.
- The Chicago Federal Reserve said on Monday its gauge of U.S. economic activity strengthened in April to its highest level since late 2014, suggesting an acceleration in production and hiring activity following an anemic first quarter.

GLOBAL MARKETS

Asia – Asian stocks posted their biggest daily rise in a month on Monday following modest gains in U.S. shares, though the greenback came under renewed pressure as Washington's political turmoil undermines confidence in U.S. economic policy.

With U.S. President Donald Trump touring in the Middle East and Europe and no major economic indicators due this week, investors are hoping for a week of consolidation after a flurry of U.S. political controversies rattled markets.

MSCI's broadest index of Asia-Pacific shares outside Japan climbed 0.9 percent on Monday helped by gains in Australia and Hong Kong stocks despite fresh curbs unveiled by regulators on the property markets in the latter.

Chinese stocks were the only laggards in the region with mainland indices, in negative territory as concerns over renewed economic slowdown and overbearing regulation to curb broad financial risks weighed on sentiment.

Euro Zone – European share prices steadied on Monday as fresh political concerns in Spain weighed, although merger and acquisition (M&A) activity underpinned broader regional benchmarks.

Madrid's main market index fell 0.3 percent, while the broader pan-European STOXX Europe 600 index fell 0.2 percent and London's commodity-heavy FTSE 100 index added 0.4 percent.

Spain's Socialists on Sunday chose former leader and hardliner Pedro Sanchez to head the party again, a vote likely to make it harder for the ruling conservatives to secure the opposition support it needs in parliament to push through legislation.

"Although Sanchez was gaining traction over the past week the result comes as a surprise and could introduce political risk again into the Spanish investment case," Exane analysts said. "We can expect a short-term negative market reaction," they added.

Financials, which tend to be particularly sensitive to politics, were the biggest fallers in Madrid. Banco Popular, Bankia and Santander were down by between 1.3 and 3.2 percent.

The euro zone bank index was down 1 percent.

Strategists at Credit Suisse had downgraded Spanish stocks as the momentum of strong economic data and corporate results moderated.

Clariant ended 3.5 percent higher after the Swiss company and U.S. peer Huntsman agreed a merger to create a chemical manufacturer with a market value of over \$14 billion.

Baader Helvea analyst Markus Mayer said he viewed the deal as a defensive move and that Clariant's share price could be boosted not only by potential synergies but also the chance of a rival bid.

"Clariant is the No. 1 takeover target in the sector with a long list of interested parties ... (the) merger announcement might be the trigger for interested parties now to come up with a (hostile) takeover bid," he wrote in a note.

Aegon jumped 6.5 percent after the Dutch-based insurer said it would sell some U.S. operations to boost its financial strength.

Analysts welcomed the terms of the deal, which they said also removed the risk of a possible capital increase.

LafargeHolcim was among top gainers after it named Sika boss Jan Jenisch as its new CEO, ending the cement maker's search for a leader after a scandal over payments in Syria. Sika's share price was among the worst-performing, down 4 percent.

UCB plummeted 18 percent, suffering its worst day's losses in 30 years, after the drugmaker and U.S. biotech firm Amgen said their experimental osteoporosis drug was unlikely to win U.S. approval this year due to safety concerns.

Four out of five European companies have released their latest results so far, pointing to first-quarter earnings growth of 17.9 percent, according to Thomson Reuters I/B/E/S Estimates data. Even though growth has slowed from the more than 20 percent previously expected, the picture remains strong with 66 percent of the companies beating analysts' expectations and 7 percent meeting them.

U.S. & Global Markets – The dollar slipped to a more than six-month low on Monday, weighed down by an uncertain U.S. political climate,

while oil prices rose on expectations that crude output cuts would continue and the euro surged.

Wall Street ended higher, lifted by technology stocks and by defense companies, which gained after U.S. President Donald Trump announced arms deals of up to \$350 billion with Saudi Arabia over the weekend.

The euro hit a more than six-month high after German Chancellor Angela Merkel said it was "too weak" because of the European Central Bank's ultra-low interest rates and money printing program.

The dollar last week notched its largest weekly drop since April 2016 on concerns that turmoil in Washington could delay Trump's efforts to implement economic stimulus plans. Traders have also been reassessing their assumptions about the path of further Federal Reserve interest rate hikes this year.

"The dollar's broad declines are driven by the increasingly mixed tone to U.S. economic data, which has led to investors questioning the extent to which the Fed will be raising rates this year," said Omer Esiner, chief market analyst at Commonwealth Foreign Exchange in Washington.

"The political climate is also acting as a key headwind for the dollar," he said.

Tracking the greenback against a basket of major currencies, the dollar index fell 0.19 percent, with the euro up 0.31 percent to \$1.1239.

"The thing with euro/dollar is that you have quite a positive mood on the euro at the moment," said ABN Amro FX strategist Georgette Boele. "And when Merkel makes comments that the euro is probably too low, then this is taken as another positive reason to push it higher."

Sterling was also in the firing line, last trading at \$1.2998, down 0.28 percent on the day, after polls showed Britain's election race tightening and the country's chief Brexit negotiator again threatened to walk away from EU exit talks unless the bloc eased its demands.

The Dow Jones Industrial Average rose 89.99 points, or 0.43 percent, to 20,894.83, the S&P 500 gained 12.29 points, or 0.52 percent, to 2,394.02 and the Nasdaq Composite added 49.92 points, or 0.82 percent, to 6,133.62.

Some European shares dipped, in part on political concerns in Spain after its Socialists on Sunday chose former leader and hardliner Pedro Sanchez to once again head the party.

The pan-European FTSEurofirst 300 index lost 0.11 percent and MSCI's gauge of stocks across the globe gained 0.54 percent.

Oil prices hit their highest in more than a month on growing confidence that the Organization of the Petroleum Exporting Countries and other producers would agree this week to extend supply cuts.

U.S. crude rose 0.73 percent to \$51.04 per barrel and Brent was last at \$53.75, up 0.26 percent on the day.

U.S. Treasury yields were marginally higher as light selling tied to this week's government and corporate bond supply offset safe-haven bids underpinned by worries about investigations of possible links between Trump's campaign officials and Russia.

The yield on benchmark 10-year notes was last at 2.252 percent.

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

GLOBAL ECONOMIES

New Zealand – New Zealand is set to unveil a better-than-expected budget surplus on Thursday and will target any spare cash on infrastructure and housing as the centre-right government tries to woo voters ahead of national elections this year.

The South Pacific island nation has enjoyed the highest GDP growth in the developed world in recent years, and that has helped boost the corporate tax intake and strengthen the government's balance sheet.

For the latest fiscal year ending June 30 the government is expected to forecast a budget surplus much higher than the NZ\$473 million (\$327.51 million) projected by the Treasury in December's half-year update.

Indeed, government figures showed a NZ\$1.5 billion surplus in the nine months to March, well above the NZ\$147 million forecast in December, partly as some reconstruction-related spending from November's severe earthquake was yet to take place.

"Overall, a fairly positive story for the government in terms of its books," said Christina Leung, economist at think tank the New Zealand Institute of Economic Research.

"We are going into an election year so no doubt there will be some pre-election sweeteners going into there, but overall a pretty prudent program, we would expect," she added.

The ruling National party is touting its careful management of New Zealand's NZ\$250 billion economy ahead of elections on Sept. 23 as it fights for a fourth term against the centre-left Labour party.

A recovery from last year's sharp drop in global prices for New Zealand's main export earner, dairy, and booming tourism has led to unemployment hovering around eight-year lows of 4.8 percent and GDP growth at 2.7 percent.

However, despite a strong economy that remains the envy of developed country peers, fast-rising housing costs have pressured the government to do more for first-time buyers who have been priced out of the market. Record immigration, which has fuelled rises in housing prices, is also putting a strain on infrastructure.

Industry estimates put New Zealand's housing prices roughly 50 percent above the previous peak in 2007.

While recent polls show the National party comfortably ahead of Labour, the high house costs have started to test the government's support.

The opposition Labour party has vowed to build 100,000 homes in ten years, as house prices rise more than 10 percent per year and net migration continues to break records, with more New Zealanders also likely to return or stay home.

The government has already said it would funnel NZ\$11 billion into infrastructure over four years and build 34,000 new houses in Auckland over the next decade.

Finance Minister Steven Joyce had also flagged that reducing the country's net debt was a priority. Net debt was expected to be 24.3 percent of GDP in the 2017 financial year, with the government aiming to cut it to around 20 percent by 2020.

"It's important we start to save now for our next rainy day. The most important protection against future shocks is to run a strong and vibrant economy," he said in a speech in May.

China – Asian countries disagreed over a China-backed free trade deal at talks on Monday, raising questions over a target for concluding negotiations by the end of the year.

The Regional Comprehensive Economic Partnership (RCEP) would create a free trade area of more than 3.5 billion people, bringing together China, India, Japan, South Korea, Australia and New Zealand as well as Southeast Asian nations.

The RCEP talks, which began in 2012, have been given new impetus by the U.S. withdrawal from the Trans-Pacific Partnership (TPP) Agreement. China is not part of that deal.

The main focus of RCEP is reducing tariffs, which India in particular is nervous about, and while it might have provisions for greater freedom of movement, this is another big sticking point.

Trade ministers from the 16 countries negotiating RCEP met in Hanoi on Monday. The negotiations followed a weekend of talks among Asia Pacific Economic Cooperation (APEC) countries that were overshadowed by fears of U.S. protectionism under President Donald Trump's "America First" agenda.

Malaysia said some progress was made in Hanoi and that the RCEP negotiations remained on track. In a statement, its trade ministry said

two out of 20 chapters of the RCEP agreement have been concluded and that some of the remaining chapters were nearing conclusion.

"The ministers acknowledge that RCEP is currently the only mega free-trade agreement (being) negotiated globally and are of the view that efforts must be exerted to conclude the negotiations expeditiously," Malaysia said.

However, officials involved in the talks privately expressed doubts over the target of completing the discussion stage by the end of 2017 given the disagreements that surfaced. India in particular is reluctant to give up on tariffs, they say.

"They are concerned that major tariff elimination will cut revenue and their competitive position, especially against China," said one official who did not want to be identified as the talks were private.

Japan – Japan's exports rose in April to mark their fifth straight month of gains, as shipments of semiconductors and steel expanded, signalling that more robust overseas demand could underpin a steady economic recovery.

Exports rose 7.5 percent in April from a year ago, below the median estimate of 7.8 percent annual growth, finance ministry data showed on Monday. It followed a 12.0 percent rise in March.

The data also showed Japan's trade surplus with the United States narrowed. Exports to the United States increased 2.6 percent in April from a year ago, gaining for the third straight month due to larger shipments of cars and auto parts. But Japan's trade surplus with the United States fell 4.2 percent in April from a year ago to 586.7 billion yen (\$5.27 billion).

Japan's exports are expected to continue rising as global economic growth gains momentum, but concerns about U.S. President Donald Trump's pledges to adopt protectionist trade policies cloud the outlook for export-reliant Japan.

"Japan's exports will continue growing, and imports will probably also rise as domestic production picks up," said Norio Miyagawa, senior economist at Mizuho Securities.

The drop in Japan's trade surplus with the United States, however, could take some pressure off Japan as it makes it more difficult for Trump to justify criticising Japan for its trade practices.

Japan's economy grew in the first quarter at the fastest rate in a year to mark the longest period of expansion in a decade, thanks to solid exports and a helpful boost from private consumption.

In terms of volume, exports rose 4.1 percent in April from a year ago, the third consecutive month of gains, another sign of overseas demand picking up.

Exports to China rose 14.8 percent on-year in April, the sixth straight month of gains, boosted by shipments of optical equipment, auto parts and steel.

Japan's exports to Asia rose 12.2 percent on-year in April, also posting the sixth straight month of gains on increased shipments of semiconductors.

Imports surged 15.1 percent versus the median estimate for a 14.8 percent increase, rising for the fourth straight month on rising energy costs.

The overall trade balance came to a surplus of 481.7 billion yen (\$4.33 billion), versus the median estimate for a 521 billion yen surplus.

Euro Zone – Euro zone countries improved their fiscal stance, a sign of growing financial stability, the EU Commission said on Monday, but it called on France to take new action to comply with EU deficit limits and warned Italy faced "urgent" challenges.

Every spring the EU executive publishes an assessment of the fiscal positions of each of the 28 EU member states, along with its recommendations for economic reforms and for disciplinary measures against those with unbalanced budgets.

The 19-country euro zone has lowered its total budget deficit to 1.5 percent of the bloc's gross domestic product in 2016. The Commission forecasts the gap is to fall further this year and next, well below the 3 percent of GDP limit.

The EU as a whole had an aggregate deficit of 1.7 percent last year, which is also set to decrease.

In its report the commission recommended an end to disciplinary procedures against Portugal and Croatia due to improvements in their public finances. The commission's recommendations must be approved by EU finance ministers to come into force.

But around the bloc economic recovery and budget improvements were "uneven," Economics Commissioner Pierre Moscovici said in a statement. France, along with Spain, Greece, Britain, will continue to face disciplinary procedures for its excessive budget deficit.

Disciplinary steps against France, the euro zone's second largest economy, have been in place since 2009. It has until the end of this year to bring the budget shortfall below the EU ceiling of 3 percent of GDP.

The Commission forecasts France's deficit will this year shrink to 3.0 percent this year but rebound again to 3.2 percent next year, unless the government appointed by French President Emmanuel Macron takes action.

"France needs to stand ready to take further measures to ensure compliance in 2017 and ... further measures will be needed as of 2018 to comply with the provisions of the Stability and Growth Pact," the Commission said.

France must cut its structural deficit -- the measure that excludes business cycle swings and one off spending and revenue -- by a minimum of 0.4 percent of GDP next year, but under existing policies that deficit is predicted to rise 0.5 percent of GDP.

But the Commission also signalled it would apply discretion in the application of its budget rules to allow France to take any measures to strengthen its economy that would help it comply.

"In that context, the Commission intends to make use of the applicable margin of appreciation in the light of the cyclical situation of France," the Commission said.

UK – British Prime Minister Theresa May was forced to publicly backtrack on one of her most striking election pledges on Monday after plans to force elderly people to pay more for their social care halved her party's opinion poll lead in just a few days.

In what amounts to her biggest misstep of the campaign to date, May set out plans on Thursday to make some elderly people pay a greater share of their care costs, before hastily announcing on Monday there would actually be a limit. Questioned at an election event, she grew increasingly irritated at suggestions she was backing down.

Six opinion polls published in the past three days have all shown a contraction in the Conservative Party's lead over the opposition Labour Party by a range of 2 to 9 percentage points, though all indicate May will still win the election.

May said opponents such as Labour leader Jeremy Corbyn had tried to scare the elderly by spreading "fake claims" about her plan to transfer more of the cost from taxpayers to recipients who can afford to fund care themselves.

Dubbed the 'dementia tax' by opponents, the proposal had raised concerns that some seniors might see their houses sold off to pay for care, rather than passed on to their descendants.

"We will make sure nobody has to sell their family home to pay for care," May said in the Welsh city of Wrexham. "We will make sure there's an absolute limit on what people need to pay."

May called the election to strengthen her hand in negotiations on Britain's exit from the European Union and to win more time to deal with the impact of the divorce.

But if she does not handsomely beat the 12-seat majority her predecessor David Cameron won in 2015, her electoral gamble will have failed.

May said the proposed changes to elderly care were part of an attempt to reform the care system for an ageing society.

But she appeared flustered taking questions from journalists about her announcement of a cap, including one who suggested to her that she was "weak and wobbly" in contrast to her election promise to be a "strong and stable" leader.

"Nothing has changed, nothing has changed, we are offering a long-term solution for the sustainability of social care for the future," she said, shaking her head and raising her voice as it was described as a U-turn by journalists. "Nothing has changed."

Sterling fell below \$1.30 on Monday after polls showed her lead had contracted but then made back some of its gains after May announced the cap.

London's Evening Standard newspaper, edited by former finance minister George Osborne, led with the headline "Strong and stable?" Osborne, sacked by May after the EU referendum, was first to break the story of May's reversal on the policy.

U.S.— The Chicago Federal Reserve said on Monday its gauge of U.S. economic activity strengthened in April to its highest level since late 2014, suggesting an acceleration in production and hiring activity following an anemic first quarter.

The regional central bank's national activity index rose to 0.49 last month, which was the highest since 0.50 in November 2014. It stood at 0.07 in March.

The index's three-month moving average climbed to 0.16 from 0.06 in March.

"Two of the four broad categories of indicators that make up the index increased from March, and only one category made a negative contribution to the index in April," the Chicago Fed said in a statement.

The contribution from production-related indicators jumped to 0.46 point from 0.01 point in March, while employment-related data contributed 0.10 point to the index's increase in April, more than March's 0.05 point.

Personal consumption and housing indicators subtracted 0.08 point from the index, more than the 0.06 point drag in March.

Sales, orders and inventories made a "neutral" contribution to the index, compared with a 0.07 point contribution in March.

(Source Reuters, Research – @her1en)

WEEKLY ECONOMIC CALENDAR

| DATE | WIB | CTY | INDICATORS | PER | ACTUAL | FORECAST | PREV. | REV. |
|------------------------|----------------|-----------|---|--------|---------|----------|---------|---------|
| MON/22-May-17 | 04:00 | KR | PPI YoY | Apr | 4.0% | -- | 4.2% | 4.3% |
| | 06:01 | GB | Rightmove House Prices MoM | May | 1.2% | -- | 1.1% | |
| | 06:01 | GB | Rightmove House Prices YoY | May | 3.0% | 2.0% | 2.2% | |
| | 06:50 | JP | Trade Balance | Apr | ¥481.7b | ¥520.7b | ¥614.7b | ¥614.0b |
| | 06:50 | JP | Trade Balance Adjusted | Apr | ¥97.6b | ¥245.4b | ¥172.2b | ¥106.4b |
| | 06:50 | JP | Exports YoY | Apr | 7.5% | 7.8% | 12.0% | |
| | 06:50 | JP | Imports YoY | Apr | 15.1% | 14.8% | 15.8% | |
| | 08:30 | AU | RBA Research Discussion Paper | | | | | |
| 22-May - 23-May | N/A | EZ | EU/Euro-Area Finance Ministers Meet in Brussels | | | | | |
| | 19:30 | US | Chicago Fed Nat Activity Index | Apr | 0.49 | -- | 0.08 | 0.07 |
| | 20:00 | CN | Conference Board China April Leading Economic Index | | | | | |
| | 21:00 | US | Fed's Harker Speaks in Philadelphia | | | | | |
| | 21:30 | US | Fed's Kashkari to Speak at Minneapolis Fed Conference | | | | | |
| | All Day | CA | Bank Holiday/Victoria Day | | | | | |
| TUE/23-May-17 | 00:30 | AU | RBA's Debelle Speech in Basel | | | | | |
| | 06:30 | AU | ANZ Roy Morgan Weekly Consumer Confidence Index | May-21 | | -- | 109.4 | |
| | 06:30 | US | Fed's Brainard Speaks on Role of Inclusion in Economy | | | | | |
| | 08:10 | US | Fed's Evans Speaks in Shanghai | | | | | |
| | 11:30 | JP | All Industry Activity Index MoM | Mar | | -0.5% | 0.7% | |

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|----------------------|-------|----|---|--------|--|--------|---------|--|
| | 13:00 | DE | GDP SA QoQ | 1Q F | | 0.6% | 0.6% | |
| | 13:00 | DE | GDP WDA YoY | 1Q F | | 1.7% | 1.7% | |
| | 13:00 | DE | GDP NSA YoY | 1Q F | | 2.9% | 2.9% | |
| | 13:00 | DE | Private Consumption QoQ | 1Q | | -- | 0.3% | |
| | 13:00 | DE | Government Spending QoQ | 1Q | | -- | 0.8% | |
| | 13:00 | DE | Capital Investment QoQ | 1Q | | -- | 0.8% | |
| | 13:00 | DE | Construction Investment QoQ | 1Q | | -- | 1.6% | |
| | 13:00 | DE | Domestic Demand QoQ | 1Q | | -- | 0.9% | |
| | 13:00 | DE | Exports QoQ | 1Q | | -- | 1.8% | |
| | 13:00 | DE | Imports QoQ | 1Q | | -- | 3.1% | |
| | 13:00 | CH | Trade Balance | Apr | | -- | 3.1b | |
| | 13:00 | CH | Exports Real MoM | Apr | | -- | 2.5% | |
| | 13:00 | CH | Imports Real MoM | Apr | | -- | -1.4% | |
| | 14:30 | DE | Markit/BME Germany Manufacturing PMI | May P | | 58.0 | 58.2 | |
| | 14:30 | DE | Markit Germany Services PMI | May P | | 55.4 | 55.4 | |
| | 14:30 | DE | Markit/BME Germany Composite PMI | May P | | 56.6 | 56.7 | |
| | 15:00 | EZ | Markit Eurozone Manufacturing PMI | May P | | 56.5 | 56.7 | |
| | 15:00 | EZ | Markit Eurozone Services PMI | May P | | 56.4 | 56.4 | |
| | 15:00 | EZ | Markit Eurozone Composite PMI | May P | | 56.7 | 56.8 | |
| | 15:00 | DE | IFO Business Climate | May | | 113.1 | 112.9 | |
| | 15:00 | DE | IFO Expectations | May | | 105.4 | 105.2 | |
| | 15:00 | DE | IFO Current Assessment | May | | 121.2 | 121.1 | |
| | 15:30 | HK | CPI Composite YoY | Apr | | 1.6% | 0.5% | |
| | 15:30 | GB | Public Finances (PSNCR) | Apr | | -- | 34.3b | |
| | 15:30 | GB | Central Government NCR | Apr | | -- | 18.3b | |
| | 15:30 | GB | Public Sector Net Borrowing | Apr | | -- | 4.4b | |
| | 15:30 | GB | PSNB ex Banking Groups | Apr | | -- | 5.1b | |
| | 19:30 | CA | Wholesale Trade Sales MoM | Mar | | -- | -0.2% | |
| | 20:00 | US | Fed's Kashkari Speaks with Reporters in Minneapolis | | | | | |
| | 20:45 | US | Markit US Manufacturing PMI | May P | | 53.0 | 52.8 | |
| | 20:45 | US | Markit US Services PMI | May P | | 53.1 | 53.1 | |
| | 20:45 | US | Markit US Composite PMI | May P | | -- | 53.2 | |
| | 21:00 | US | New Home Sales | Apr | | 610k | 621k | |
| | 21:00 | US | New Home Sales MoM | Apr | | -1.5% | 5.8% | |
| | 21:00 | US | Richmond Fed Manufact. Index | May | | 15 | 20 | |
| WED/24-May-17 | 02:15 | US | Fed's Kashkari Speaks in Minneapolis | | | | | |
| | 04:00 | US | Fed's Harker Speaks in New York | | | | | |
| | 05:45 | NZ | Trade Balance NZD | Apr | | 233m | 332m | |
| | 05:45 | NZ | Exports NZD | Apr | | 4.36b | 4.65b | |
| | 05:45 | NZ | Imports NZD | Apr | | 4.13b | 4.31b | |
| | 05:45 | NZ | Trade Balance 12 Mth YTD NZD | Apr | | -3790m | -3671m | |
| | N/A | JP | Cabinet Office Monthly Economic Report for May | | | | | |
| | 07:00 | JP | BOJ Kuroda speaks in Tokyo | | | | | |
| | 07:30 | AU | Westpac Leading Index MoM | Apr | | -- | 0.08% | |
| | 07:30 | JP | Nikkei Japan PMI Mfg | May P | | -- | 52.7 | |
| | 13:00 | DE | GfK Consumer Confidence | Jun | | 10.2 | 10.2 | |
| | 14:15 | CH | Industry & Construction Output WDA YoY | 1Q | | -- | -0.8% | |
| | 14:15 | GB | Industrial Output WDA YoY | 1Q | | -- | -1.2% | |
| | 15:30 | EZ | ECB Executive Board member Praet speaks in Sofia | | | | | |
| | 19:45 | EZ | ECB President Draghi speaks in Madrid | | | | | |
| | 20:00 | US | FHFA House Price Index MoM | Mar | | -- | 0.8% | |
| | 20:00 | US | House Price Purchase Index QoQ | 1Q | | -- | 1.5% | |
| | 21:00 | CA | Bank of Canada Rate Decision | May-24 | | 0.5% | 0.5% | |
| | 21:00 | US | Existing Home Sales | Apr | | 5.65m | 5.71m | |
| | 21:00 | US | Existing Home Sales MoM | Apr | | -1.1% | 4.4% | |
| | 21:30 | US | EIA Weekly Crude Stocks | w/e | | -- | -1.753m | |
| | 21:30 | US | EIA Weekly Dist. Stocks | w/e | | -- | -1.944m | |
| | 21:30 | US | EIA Weekly Gasoline Stocks | w/e | | -- | -0.413m | |
| THU/25-May-17 | 01:00 | US | FOMC Meeting Minutes | May-03 | | -- | -- | |

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|----------------------|----------------|-----------|--|--------|--------|--------|----------|--|
| | 05:00 | US | Fed's Kaplan Speaks in Toronto | | | | | |
| | 05:30 | US | Fed's Kashkari Speaks in Wisconsin | | | | | |
| | 06:50 | JP | Japan Buying Foreign Bonds | May-19 | -- | | ¥1821.2b | |
| | 06:50 | JP | Japan Buying Foreign Stocks | May-19 | -- | | ¥273.4b | |
| | 06:50 | JP | Foreign Buying Japan Bonds | May-19 | -- | | ¥395.4b | |
| | 06:50 | JP | Foreign Buying Japan Stocks | May-19 | -- | | ¥372.2b | |
| | N/A | KR | BoK 7-Day Repo Rate | May-25 | 1.25% | | 1.25% | |
| | | KR | BoK 7-Day Repo Rate | May-25 | 1.25% | | 1.25% | |
| 25-May - 26-May | All Day | | OPEC Meeting | | | | | |
| | N/A | EZ | NATO Leaders Meet in Brussels | | | | | |
| | N/A | EZ | EU's Tusk, Juncker Meet With U.S.'s Trump in Brussels | | | | | |
| | 15:00 | AU | RBA's Debelle Opening Remarks in London | | | | | |
| | 15:30 | HK | Exports YoY | Apr | 12.0% | | 16.9% | |
| | 15:30 | HK | Imports YoY | Apr | 13.0% | | 13.0% | |
| | 15:30 | HK | Trade Balance HKD | Apr | -39.1b | | -42.3b | |
| | 15:30 | GB | GDP QoQ | 1Q P | -- | | 0.3% | |
| | 15:30 | GB | GDP YoY | 1Q P | -- | | 2.1% | |
| | 15:30 | GB | Private Consumption QoQ | 1Q P | -- | | 0.7% | |
| | 15:30 | GB | Government Spending QoQ | 1Q P | -- | | 0.0% | |
| | 15:30 | GB | Gross Fixed Capital Formation QoQ | 1Q P | -- | | 0.1% | |
| | 15:30 | GB | Exports QoQ | 1Q P | -- | | 4.6% | |
| | 15:30 | GB | Imports QoQ | 1Q P | -- | | -1.0% | |
| | 15:30 | GB | BBA Mortgage Approvals | Apr | | | 41.061k | |
| | 15:30 | UK | Total Business Investment QoQ | 1Q P | -- | | -0.9% | |
| | 15:30 | UK | Total Business Investment YoY | 1Q P | -- | | -0.9% | |
| | 17:30 | AU | RBA's Debelle Panel Participation in London | | | | | |
| | 19:30 | US | Initial Jobless Claims | w/e | | 238k | 232k | |
| | 19:30 | US | Jobless Claims 4-wk Avg | w/e | | - | 240.75k | |
| | 19:30 | US | Continuing Jobless Claims | w/e | | 1.925m | 1.898m | |
| | 21:00 | US | Fed's Brainard Takes in Panel Discussion on Global Economy | | | | | |
| | 22:00 | US | Kansas City Fed Manf. Activity | May | -- | | 7 | |
| | All Day | CH | Bank Holiday/Ascension Day | | | | | |
| FRI/26-May-17 | 04:00 | KR | Consumer Confidence | May | -- | | 101.2 | |
| | 04:20 | CA | Bank of Canada Deputy Governor Sylvain Leduc Speech | | | | | |
| | 06:30 | JP | Natl CPI YoY | Apr | 0.4% | | 0.2% | |
| | 06:30 | JP | Natl CPI Ex Fresh Food YoY | Apr | 0.4% | | 0.2% | |
| | 06:30 | JP | Natl CPI Ex Fresh Food, Energy YoY | Apr | 0.0% | | -0.1% | |
| | 06:30 | JP | Japan Apr CPI | | | | | |
| | 06:50 | JP | PPI Services YoY | Apr | 0.9% | | 0.8% | |
| | 09:00 | US | Fed's Bullard Speaks on U.S. economy in Tokyo | | | | | |
| | 11:30 | AU | RBA's Richards Panel Participation | | | | | |
| | 19:30 | US | GDP Annualized QoQ | 1Q S | 0.9% | | 0.7% | |
| | 19:30 | US | Personal Consumption | 1Q S | -- | | 0.3% | |
| | 19:30 | US | Core PCE QoQ | 1Q S | -- | | 2.0% | |
| | 19:30 | US | Durable Goods Orders | Apr P | -1.8% | | 0.9% | |
| | 21:00 | US | U. of Mich. Sentiment | May F | 97.5 | | 97.7 | |
| | 21:00 | US | U. of Mich. Current Conditions | May F | 112.5 | | 112.7 | |
| | 21:00 | US | U. of Mich. Expectations | May F | 87.9 | | 88.1 | |
| | 21:00 | US | U. of Mich. 1 Yr Inflation | May F | -- | | 2.6% | |
| | 21:00 | US | U. of Mich. 5-10 Yr Inflation | May F | -- | | 2.3% | |
| SAT/27-May-17 | 08:30 | CN | Industrial Profits YoY | Apr | -- | | 23.8% | |
| | 13:50 | JP | BOJ Kuroda speaks in Waseda Univ | | | | | |
| 27-May - 03-Jun | N/A | DE | Retail Sales MoM | Apr | -- | | 0.1% | |
| 27-May - 03-Jun | | DE | Retail Sales YoY | Apr | -- | | 2.3% | |

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

ASIAN STOCK INDICATORS – Daily Outlook

Japan's Nikkei share average rose on Monday in thin trade tracking Wall Street, but the dollar's weakness and U.S. political turmoil kept investors nervous and curbed gains.

The Nikkei rose 0.5 percent to 19,678.28. The broader Topix ended up 0.5 percent at 1,567.65, with only 1.47 billion shares changing hands, the lowest since April 17. The JPX-Nikkei Index 400 advanced 0.5 percent to 14,004.89.

The South Korean won posted its biggest daily percentage gain in more than a month on Monday as the dollar weakened broadly on political turmoil surrounding U.S. President Donald Trump.

The won was quoted at 1,118.6 to the dollar at the conclusion of onshore trade, up 0.8 percent from Friday's close of 1,127.2. It was the biggest daily gain since April 13 when the won rose more than 1 percent.

Some dealers said they suspected authorities had stepped in to curb the won's volatility around midday when the won jumped more than 1 percent versus the dollar.

South Korean shares rose on foreign demand. The Korea Composite Stock Price Index (KOSPI) closed up 0.7 percent at 2,304.03.

Hong Kong's benchmark share index ended Monday at its highest closing level in 22 months, helped by buoyant sentiment in Asian markets and steady money inflows from mainland China, which helped push index heavyweight Tencent to a fresh record.

The Hang Seng index rose 0.9 percent to 25,391.34 points, while the China Enterprises Index gained 1.0 percent to 10,374.32 points.

Sentiment was generally upbeat in Asia, where stocks posted their biggest daily rise in a month following modest gains in U.S. shares on Friday.

With U.S. President Donald Trump touring in the Middle East and Europe and no major economic indicators due this week, Asian investors are hoping for a week of consolidation after a flurry of U.S. political controversies rattled markets.

Hong Kong stocks also continued to benefit from Chinese money inflows via two cross-border investment schemes.

Data from brokerage Jefferies Hong Kong Ltd showed Chinese investors spent net HK\$12 billion (\$1.54 billion) buying Hong Kong stocks last week via the

Shenzhen-Hong Kong Stock Connect, marking the biggest inflow so far this year, and the 22nd week of net buying.

Under the other scheme, the Shanghai-Hong Kong Stock Connect, weekly net buying totalled HK\$2.2 billion, an eight-week high.

Tencent, one of mainland investors' favourite stocks, gained 2.5 percent to another record high, having jumped 45 percent so far this year.

Also in the spotlight was Cogobuy Group, whose shares slumped 22 percent before being suspended in afternoon trading. The stock was targeted by short-sellers, according to media reports.

Shanghai stocks reversed earlier gains to end lower on Monday as lingering worries over economic growth and tighter regulations to curb speculative investments hurt risk appetite.

The blue-chip CSI300 index rose 0.2 percent, to 3,411.24, while the Shanghai Composite Index lost 0.5 percent to 3,075.68 points.

The market has been hobbled over the past few weeks by fears of renewed economic slowdown and heavy-handed regulation aimed at limiting broad financial risks.

The official think tank State Information Centre said over the weekend that China's economy will likely expand around 6.8 percent in the second quarter of 2017, compared with 6.9 percent in the first quarter. "Overall, China's economy will remain stable but with a slightly slowing trend," it said.

Over the weekend, China's securities regulator meted out punishment to brokerage Sealand Securities and mutual fund house Sinvo Fund Management Co for their lax internal management.

An index tracking major brokerage firms closed down 1.2 percent at a 14-month low.

Property shares also lost ground, after more cities announced fresh restrictions on home purchases.

For the day, around 30 newly-listed stocks tumbled by the maximum allowed 10 percent as expectations of more equity supply pressured their valuations.

China is expected to approve up to 500 IPOs to raise as much as 300 billion yuan in 2017, according to an official with the Shanghai Stock Exchange.

(Source Reuters, Research: @ErwinRiset)

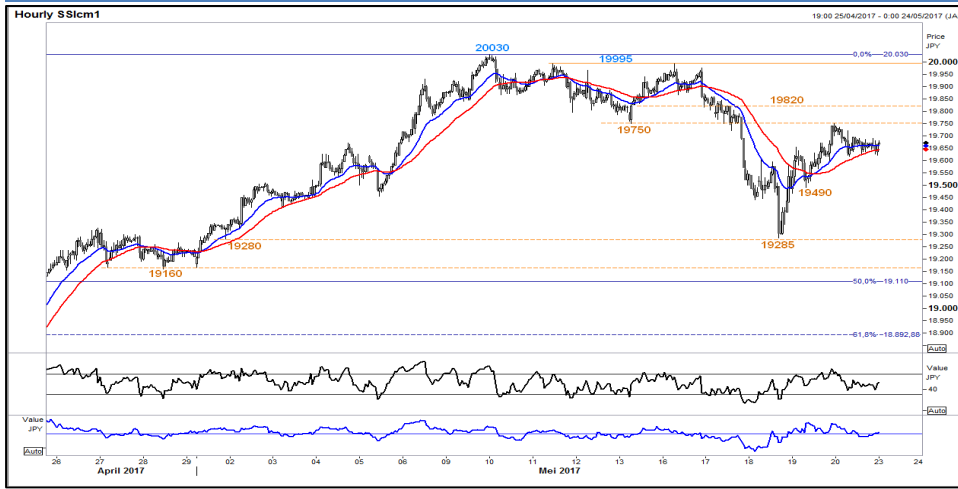
ASIA AND GLOBAL MARKET SPOT PRICE 2016

| HIGH / LOW | .N225 | .KS200 | .HSI | .DJI | /.SPX | /.SSEC |
|--------------------|---------------------------|-------------------------|---|---------------------------|--------------------------|-----------------------------|
| RECORD HIGH | 38915.87 (29/Dec/89) | 295.51 (03/May/11) | 31958.41 (30/Oct/07) | 21169.11 (01/Mar/2017) | 2400.98 (01/Mar/2017) | 6124.04400 (16/Oct/07) |
| 2016 HIGH | 19592.90 (21/Dec/16) | 264.42 (21/Dec/16) | 24364.00 (09/Sep/16) | 19987.63 (20/Dec/16) | 2277.53 (13/Dec/16) | 3538.68940 (04/Jan/16) |
| 2017 HIGH | 19998.49 (16/May/2017) | 304.26 (10/May/2017) | 25450.04 (22/May/2017) | 21169.11 (01/Mar/2017) | 2405.77 (16/May/2017) | 3295.18700 (07/Apr/2017) |
| 2017 LOW | 18224.68 (17/Apr/2017) | 258.64 (02/Jan/2017) | 21883.82 (03/Jan/2017) | 19677.94 (19/Jan/2017) | 2245.13 (03/Jan/2017) | 3016.53050 (11/May/2017) |
| 2016 LOW | 14864.01 (24/Jun/16) | 222.92 (20/Jan/16) | 18278.80 (12/Feb/16) | 15450.56 (20/Jan/16) | 1810.10 (11/Feb/16) | 2638.30160 (27/Jan/16) |
| RECORD LOW | 85.25 (06/Jul/50) | 31.96 (16/Jun/98) | 58.61 (31/Aug/67) | 388.20 (17/Jan/55) | 132.93 (23/Nov/82) | 325.92200 (29/Jul/94) |

Closing Prices – 22 May 2017

| | CLOSE | CHANGE | | CLOSE | CHANGE |
|--------|----------|-----------------|-------------|------------|------------------|
| .DJI | 20894.83 | ↑ 89.99/ 0.43% | .N225 | 19678.28 | ↑ 87.52/0.45% |
| /.SPX | 2394.02 | ↑ 12.29/ 0.52% | .KS200 | 300.63 | ↑ 2.55/0.86% |
| /.IXIC | 6133.618 | ↑ 49.915/ 0.82% | .HSI | 25391.34 | ↑ 216.47/0.86% |
| JPY= | 111.28 | ↑ 0.02/ 0.02% | /.SSEC | 3075.92300 | ↓ 14.70790/0.48% |
| KRW= | 1114.99 | ↓ 1.62/ 0.15% | /Clc1 (Oil) | 50.81 | ↑ 0.48/0.95% |

SSIamM7 (Nikkei Jun Futures) – Last Trading Date: 12 June 2017



- Still moving in the range of 19600 – 19700
- Resistance area at 19750 - 19820. If it is intact, potential correction develops to test the support area at 19490 - 19285

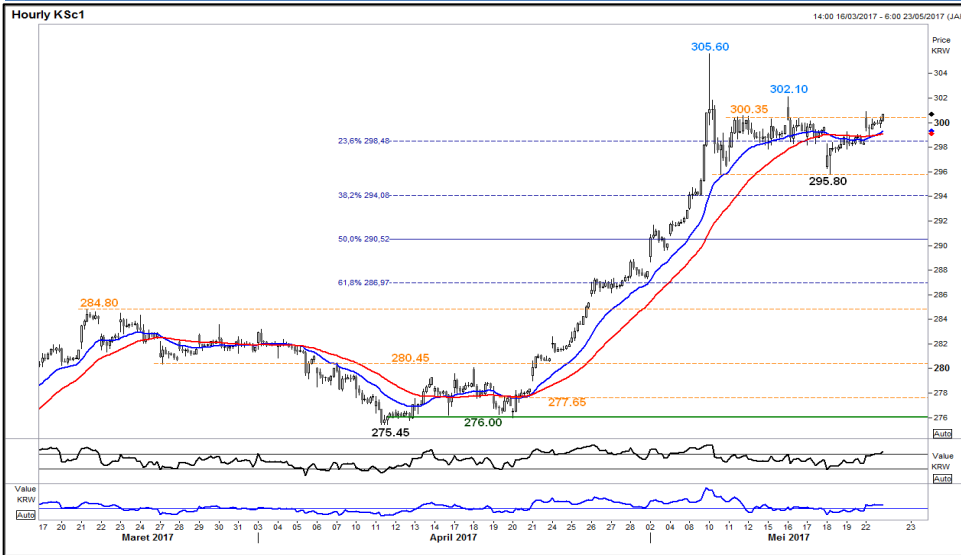
| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | SETTLE | CHANGE | % CHANGE | VOLUME |
|----------------|-------|-------|-------|-------|-------|--------|--------|----------|--------|
| 22 May SSIpmM7 | 19675 | 19705 | 19620 | 85 | 19705 | --- | ↑ 25 | 0.13 | 19044 |
| 22 May SSIamM7 | 19685 | 19720 | 19615 | 105 | 19680 | 19680 | ↑ 105 | 0.54 | 35170 |
| 19 May SSIpmM7 | 19585 | 19750 | 19565 | 185 | 19695 | --- | ↑ 120 | 0.61 | 30689 |
| 19 May SSIamM7 | 19615 | 19630 | 19490 | 140 | 19575 | 19575 | ↓ 15 | 0.08 | 46793 |
| 18 May SSIpmM7 | 19565 | 19655 | 19285 | 370 | 19600 | --- | ↑ 10 | 0.05 | 67620 |
| 18 May SSIamM7 | 19515 | 19605 | 19445 | 160 | 19590 | 19590 | ↓ 180 | 0.91 | 77931 |
| 17 May SSIpmM7 | 19755 | 19805 | 19440 | 365 | 19470 | --- | ↓ 300 | 1.52 | 41771 |
| 17 May SSIamM7 | 19790 | 19845 | 19750 | 95 | 19770 | 19770 | ↓ 125 | 0.63 | 66766 |
| 16 May SSIpmM7 | 19890 | 19975 | 19805 | 170 | 19835 | --- | ↓ 60 | 0.30 | 22230 |
| 16 May SSIamM7 | 19945 | 19995 | 19865 | 130 | 19895 | 19895 | ↑ 10 | 0.05 | 39832 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|----------|----------|----------|----------|----------|----------|----------|----------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 19720 | 19615 | 20030 | 19165 | 19325 | 18190 | 20030 | 18190 |
| (22/May) | (22/May) | (09/May) | (01/May) | (26/Apr) | (17/Apr) | (09/May) | (17/Apr) |

ANALYSIS & RECOMMENDATION

| | | |
|-----------------------|-----------|--------------------------------|
| RESISTANCE | 20035 | Horizontal resistance |
| | 20030 | Peak level |
| | 19995 | Horizontal resistance |
| | 19820 | Reaction high (hourly) |
| SUPPORT | 19490 | Reaction low (hourly) |
| | 19280 | Reaction low (hourly) |
| | 19160 | Low 28/Apr/2017 (Reaction low) |
| | 18850 | Reaction low (hourly) |
| RECOMMENDATION | BUY | ---- |
| | SELL | 19725 |
| | STOP LOSS | 19850 |
| | TARGET | 19550 19485 |

KSM7 (Kospi Jun Futures) – Exp. Date: 08 June 2017



- Rebound breakout a crucial resistance at 300.35, hit high at 300.90
 - Rebound faces next resistance at 302.10
 - Beware of RSI was overbought
 - Support area at 298
- [\(Research – @ErwinRiset\)](#)

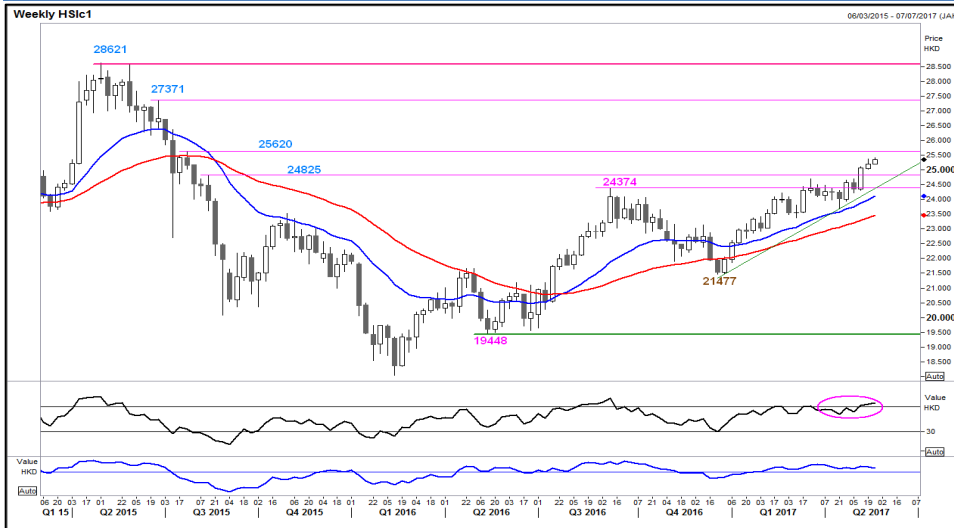
| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | SETTLE | CHANGE | % CHANGE | VOLUME |
|--------|--------|--------|--------|-------|--------|--------|--------|----------|--------|
| 22 May | 300.35 | 300.90 | 299.00 | 1.90 | 300.70 | 300.70 | ↑ 2.35 | 0.79 | 164910 |
| 19 May | 298.50 | 299.25 | 297.85 | 1.40 | 298.35 | 298.35 | ↓ 0.40 | 0.13 | 136439 |
| 18 May | 296.40 | 298.90 | 295.80 | 3.10 | 298.75 | 298.75 | ↓ 0.85 | 0.28 | 20789 |
| 17 May | 298.90 | 300.15 | 298.20 | 1.95 | 299.60 | 299.60 | ↑ 0.25 | 0.08 | 185296 |
| 16 May | 301.25 | 302.10 | 298.30 | 3.80 | 299.35 | 299.35 | ↓ 0.40 | 0.13 | 202872 |
| 15 May | 299.05 | 300.30 | 297.85 | 2.45 | 299.75 | 299.75 | ↑ 1.00 | 0.33 | 158822 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 300.90 (22/May) | 299.00 (22/May) | 305.60 (10/May) | 288.65 (02/May) | 288.90 (28/Apr) | 275.45 (11/Apr) | 305.60 (10/May) | 259.25 (02/Jan) |

ANALYSIS & RECOMMENDATION

| | | |
|----------------|-----------|-------------------------------|
| RESISTANCE | 310.88 | 50% Fib. Projection (Daily) |
| | 307.32 | 38.2% Fib. Projection (Daily) |
| | 305.60 | High 10/May/2017 |
| | 302.10 | Reaction high (hourly) |
| SUPPORT | 299.00 | Reaction low (hourly) |
| | 295.80 | Low 18/May/2017 |
| | 294.10 | Reaction low (hourly) |
| | 292.95 | Low 08/May/2017 |
| RECOMMENDATION | BUY | 299.70 |
| | SELL | ---- |
| | STOP LOSS | 298.90 |
| | TARGET | 301.80 302.85 |

HSIK7 (Hang Seng May Futures) – Exp. Date: 29 May 2017



- Rally recorded new highs this year at 25422
- Crucial resistance at 25620
- Beware of RSI was overbought (weekly)
- The important support at 25000 ([Research – @ErwinRiset](#))

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | SETTLE | CHANGE | % CHANGE | VOLUME |
|--------|-------|-------|-------|-------|-------|--------|--------|----------|--------|
| 22 May | 25284 | 25422 | 25194 | 228 | 25341 | 25341 | ↑ 154 | 0.61 | 103761 |
| 19 May | 25143 | 25244 | 25108 | 136 | 25187 | 25187 | ↑ 30 | 0.12 | 99140 |
| 18 May | 25071 | 25239 | 25043 | 196 | 25157 | 25157 | ↓ 149 | 0.59 | 116552 |
| 17 May | 25268 | 25316 | 25200 | 116 | 25306 | 25306 | ↑ 5 | 0.02 | 91488 |
| 16 May | 25340 | 25349 | 25206 | 143 | 25301 | 25301 | ↑ 44 | 0.17 | 94756 |
| 15 May | 25193 | 25323 | 25133 | 190 | 25257 | 25257 | ↑ 194 | 0.77 | 104054 |
| 12 May | 25008 | 25097 | 24962 | 135 | 25063 | 25063 | ↓ 5 | 0.02 | 93937 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|----------|----------|----------|----------|----------|----------|----------|----------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 25422 | 25194 | 25422 | 24220 | 24646 | 23706 | 25422 | 21863 |
| (22/May) | (22/May) | (22/May) | (05/May) | (26/Apr) | (19/Apr) | (22/May) | (03/Jan) |

ANALYSIS & RECOMMENDATION

| | | |
|----------------|-----------|---------------------------|
| RESISTANCE | 26723 | High 03/Jul/2015 (Weekly) |
| | 26358 | High 10/Jul/2015 (Weekly) |
| | 25620 | High 24/Jul/2015 (Weekly) |
| | 25422 | Peak level (This year) |
| SUPPORT | 25194 | Reaction low (hourly) |
| | 25028 | Reaction low (hourly) |
| | 24991 | Reaction low (hourly) |
| | 24904 | Reaction low (hourly) |
| RECOMMENDATION | BUY | 25325 |
| | SELL | ---- |
| | STOP LOSS | 25190 |
| | TARGET | 25500 25635 |

CURRENCIES – Daily Outlook

Dollar weak as political risks linger; euro up on Merkel comments - Reuters News

The dollar fell to a more than six-month low against a basket of currencies on Monday, extending its losses from last week, as an uncertain U.S. political climate and a buoyant euro weighed on the greenback.

The dollar index, which tracks the greenback against a basket of six major rivals, was down 0.14 percent to 97.005. It fell to a low of 96.797, its lowest since Nov. 9, earlier in the session.

"I think it is a continuation of the move we have seen since mid-April," said Omer Esiner, chief market analyst at Commonwealth Foreign Exchange in Washington.

"The dollar's broad declines are driven by the increasingly mixed tone to U.S. economic data, which has led to investors questioning the extent to which the Fed will be raising rates this year. The political climate is also acting as a key headwind for the dollar."

The dollar fell more than 2 percent last week, logging its worst performance in more than a year, amid growing concerns over U.S. President Donald Trump's recent firing of FBI Director James Comey, who was overseeing an investigation into possible links between the president's team and Russia.

Political turmoil in Washington has also raised worries that there could be delays in Trump's efforts to implement his economic stimulus plans.

"Generally speaking, we still have a constructive view on the dollar but in light of some of the recent weakness we certainly have to contemplate how lasting could this impact from fiscal policy, or lack thereof, be for the currency markets," said Erik Nelson, currency strategist at Wells Fargo Securities in New York.

The greenback was also pressured by a rallying euro, which hit a more than six-month high against the dollar on Monday after Germany's Angela Merkel prefaced a summit of G7 leaders later this week by saying a "too weak" currency was behind her country's massive trade surplus.

Speaking to students at a secondary school in Berlin, Merkel said that Germany's huge export earnings were propelled by two factors over which the government had no influence, namely the euro's exchange rate and oil prices.

The euro was up 0.25 percent against the dollar at \$1.1232 after hitting a high of \$1.1263, earlier in the session.

Meanwhile, sterling slipped broadly after polls showed a narrowing lead for Britain's Prime Minister Theresa May over her opposition ahead of elections next month.

(Source Reuters, Research – @her1en)



EUR/USD

Interest Rate: 0.00% (EU)/ 0.75%-1.00% (US)



- Daily RSI rises, entering the overbought area
- With the resistance at 1.1430
- Important support at the 1.1095 level ([Research - @her1en](#))

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS |
|--------|---------|---------|---------|-------|---------|---------|----------|
| May 22 | 1.12055 | 1.12624 | 1.11604 | 102,0 | 1.12351 | ↑ 30,8 | 1.12043 |
| May 19 | 1.10999 | 1.12108 | 1.10970 | 113,8 | 1.12043 | ↑ 103,4 | 1.11009 |
| May 18 | 1.11638 | 1.11708 | 1.10747 | 96,1 | 1.11009 | ↓ 54,9 | 1.11558 |
| May 17 | 1.10793 | 1.11610 | 1.10793 | 81,7 | 1.11558 | ↑ 75,0 | 1.10808 |
| May 16 | 1.09760 | 1.10961 | 1.09755 | 120,6 | 1.10808 | ↑ 107,2 | 1.09736 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|--------------------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 1.12624 (22/May) | 1.11604 (22/May) | 1.12624 (22/May) | 1.08379 (11/May) | 1.0950 (25/Apr) | 1.0571 (10/Apr) | 1.12624 (22/May) | 1.0342 (03/Jan) |

ANALYSIS & RECOMMENDATION

| | | |
|----------------|-----------|----------------------------|
| RESISTANCE | 1.1495 | High May 05, 2016 |
| | 1.1432 | High June 24, 2016 |
| | 1.1365 | Reaction high on 1-H chart |
| | 1.1299 | High 09/Nov/2016 |
| SUPPORT | 1.1160 | Low May 22 |
| | 1.1094 | Low May 19 |
| | 1.0971 | Low May 16 |
| | 1.0920 | Low May 15 |
| RECOMMENDATION | BUY | 1.1215 |
| | SELL | ----- |
| | STOP LOSS | 1.1135 |
| | TARGET | 1.1295 1.1325 |

USD/JPY

Interest Rate: 0.75%-1.00% (US)/-0.1% (JP)



- Moving flat with trendline support area remains effective
 - If the crucial level of 111.57 can be solved, then rebound may develop
 - The important support is at 109.50
- [\(Research – @ErwinRiset\)](#)

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS |
|--------|---------|---------|---------|-------|---------|---------|----------|
| May 22 | 111.253 | 111.597 | 110.919 | 67,8 | 111.273 | ↓ 10,2 | 111.375 |
| May 19 | 111.557 | 111.689 | 111.026 | 66,3 | 111.375 | ↓ 8,2 | 111.457 |
| May 18 | 110.704 | 111.727 | 110.225 | 150,2 | 111.457 | ↑ 67,9 | 110.778 |
| May 17 | 113.088 | 113.089 | 110.773 | 231,6 | 110.778 | ↓ 231,8 | 113.096 |
| May 16 | 113.590 | 113.761 | 112.918 | 84,3 | 113.096 | ↓ 66,7 | 113.763 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 111.597 (22/May) | 110.919 (22/May) | 114.356 (10/May) | 110.773 (17/May) | 111.77 (26/Apr) | 108.14 (17/Apr) | 118.60 (03/Jan) | 108.14 (17/Apr) |

ANALYSIS & RECOMMENDATION

| | | |
|-----------------------|-----------|--------------------------------|
| RESISTANCE | 114.36 | High 11/May/2017 (Peak) |
| | 113.85 | Reaction high (hourly) |
| | 113.12 | High 17/May/2017 |
| | 112.56 | Reaction high (hourly) |
| SUPPORT | 110.21 | Low 18/May/2017 (Reaction low) |
| | 109.57 | Low 25/Apr/2017 (Reaction low) |
| | 108.69 | Low 20/Apr/2017 |
| | 108.11 | Low 17/Mar/2017 (Bottom) |
| RECOMMENDATION | BUY | 111.00 |
| | SELL | ---- |
| | STOP LOSS | 110.10 |
| | TARGET | 111.80 112.35 |

GBP/USD

Interest Rate: 0.25% (GB)/ 0.75%-1.00% (US)



- Rally is stuck and testing the crucial level at 1.2990
- Resistance area at 1.3120, while the support at 1.2829
- Beware of reversal if it fails to hold above 1.2990
[\(Research – @ErwinRiset\)](#)

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS |
|--------|---------|---------|---------|-------|---------|--------|----------|
| May 22 | 1.30174 | 1.30416 | 1.29645 | 77,1 | 1.29945 | ↓ 35,3 | 1.30298 |
| May 19 | 1.29370 | 1.30389 | 1.29317 | 107,2 | 1.30298 | ↑ 97,4 | 1.29324 |
| May 18 | 1.29755 | 1.30466 | 1.28875 | 159,1 | 1.29324 | ↓ 32,8 | 1.29652 |
| May 17 | 1.29149 | 1.29893 | 1.29049 | 84,4 | 1.29652 | ↑ 57,0 | 1.29082 |
| May 16 | 1.28958 | 1.29563 | 1.28644 | 91,9 | 1.29082 | ↑ 18,2 | 1.28900 |

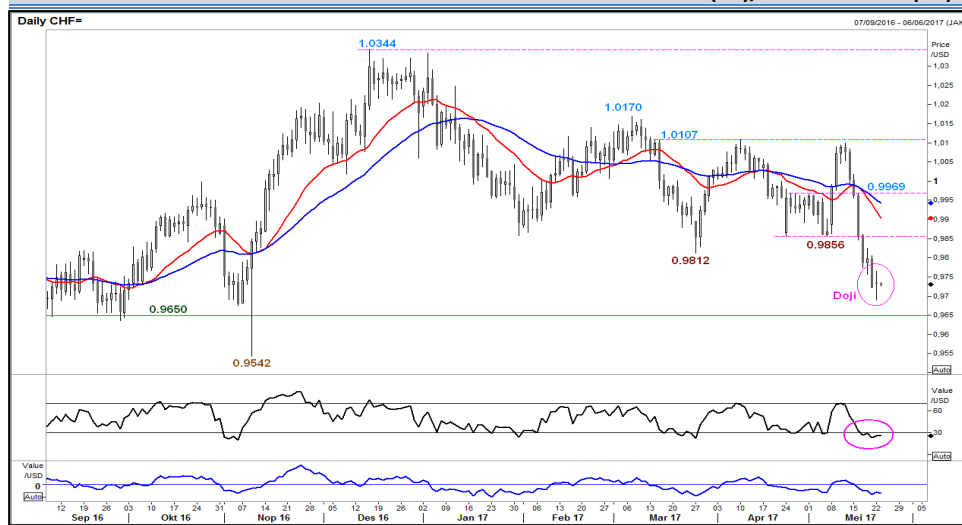
| WEEKLY | | MAY | | APRIL | | 2017 | |
|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|--------------------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 1.30416 (22/May) | 1.29645 (22/May) | 1.30466 (18/May) | 1.28297 (04/May) | 1.2965 (28/Apr) | 1.2367 (10/Apr) | 1.30466 (18/May) | 1.1986 (16/Jan) |

ANALYSIS & RECOMMENDATION

| | | |
|----------------|-----------|----------------------------------|
| RESISTANCE | 1.3346 | High 12/Sep/2016 (Reaction high) |
| | 1.3278 | High 15/Sep/2016 (Reaction high) |
| | 1.3120 | High 22/Sep/2016 |
| | 1.3058 | High 29/Sep/2016 |
| SUPPORT | 1.2889 | Low 18/May/2017 |
| | 1.2829 | Low 04/May/2017 (Reaction low) |
| | 1.2758 | Low 21/Apr/2017 (Reaction low) |
| | 1.2593 | SMA200 |
| RECOMMENDATION | BUY | 1.2970 |
| | SELL | ---- |
| | STOP LOSS | 1.2875 |
| | TARGET | 1.3060 1.3105 |

USD/CHF

Interest Rate: 0.75%-1.00% (US)/-1.25 to -0.25% (CH)



- Correction still failed to breakout a crucial support at 0.9650
- Beware of rebound potentially develops following the pattern of doji and RSI condition has been oversold

[\(Research – @ErwinRiset\)](#)

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS |
|--------|---------|---------|---------|-------|---------|---------|----------|
| May 22 | 0.97280 | 0.97645 | 0.96907 | 73,8 | 0.97316 | ↓ 3,1 | 0.97347 |
| May 19 | 0.98001 | 0.98040 | 0.97249 | 79,1 | 0.97347 | ↓ 61,4 | 0.97961 |
| May 18 | 0.97828 | 0.98243 | 0.97578 | 66,5 | 0.97961 | ↑ 12,7 | 0.97834 |
| May 17 | 0.98592 | 0.98592 | 0.97731 | 86,1 | 0.97834 | ↓ 71,5 | 0.98549 |
| May 16 | 0.99590 | 0.99634 | 0.98462 | 117,2 | 0.98549 | ↓ 106,2 | 0.99611 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|---------------------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 0.97645 (22/May) | 0.96907 (22/May) | 1.00987 (11/May) | 0.96907 (22/May) | 1.0107 (10/Apr) | 0.9863 (24/Apr) | 1.0335 (03/Jan) | 0.96907 (22/May) |

ANALYSIS & RECOMMENDATION

| | | |
|----------------|-----------|--|
| RESISTANCE | 1.0107 | High 14/Mar/2017 (horizontal resistance) |
| | 0.9969 | Pivot line |
| | 0.9861 | High 17/May/2017 |
| | 0.9805 | High 19/May/2017 |
| SUPPORT | 0.9650 | Pivot line |
| | 0.9542 | Low 09/Nov/2016 (Bottom) |
| | 0.9532 | Low 18/Aug/2016 (Bottom) |
| | 0.9473 | Low 15/Oct/2015 (Bottom) |
| RECOMMENDATION | BUY | 0.9720 |
| | SELL | ---- |
| | STOP LOSS | 0.9640 |
| | TARGET | 0.9790 0.9825 |

AUD/USD

Interest Rate: 1.5% (AU)/ 0.75%-1.00% (US)



- Daily RSI is rose
 - Upperline around 0.7610, while lowerline at 0.7300
- [\(Research – @her1en\)](#)

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS |
|--------|---------|---------|---------|-------|---------|--------|----------|
| May 22 | 0.74554 | 0.74876 | 0.74341 | 53,5 | 0.74758 | ↑ 19,6 | 0.74562 |
| May 19 | 0.74165 | 0.74686 | 0.74053 | 63,3 | 0.74562 | ↑ 41,0 | 0.74152 |
| May 18 | 0.74248 | 0.74657 | 0.74073 | 58,4 | 0.74152 | ↓ 10,4 | 0.74256 |
| May 17 | 0.74248 | 0.74425 | 0.73876 | 54,9 | 0.74256 | ↑ 2,1 | 0.74235 |
| May 16 | 0.74132 | 0.74368 | 0.73937 | 43,1 | 0.74235 | ↑ 14,0 | 0.74095 |

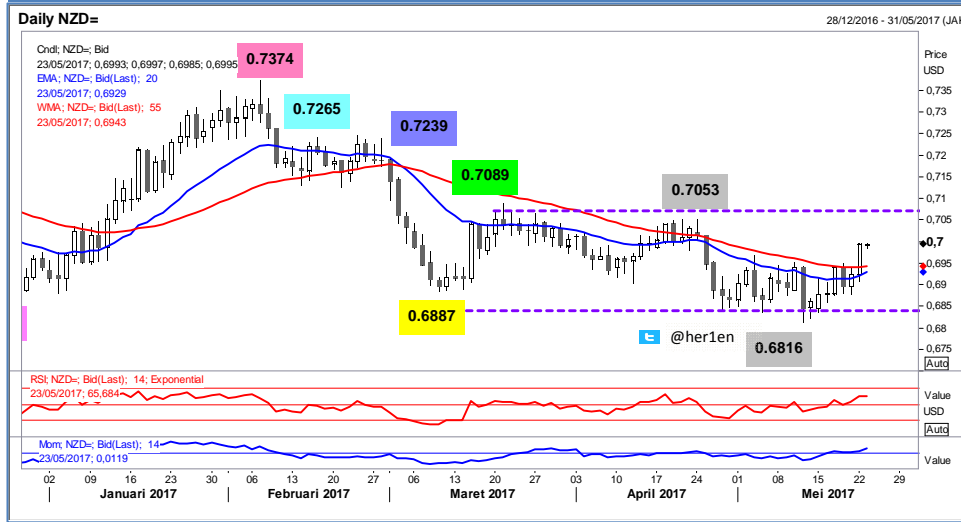
| WEEKLY | | MAY | | APRIL | | 2017 | |
|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 0.74876 (22/May) | 0.74341 (22/May) | 0.75549 (02/May) | 0.73277 (09/May) | 0.7641 (03/Apr) | 0.7441 (27/Apr) | 0.7749 (21/Mar) | 0.7182 (03/Jan) |

ANALYSIS & RECOMMENDATION

| | | |
|---------------|-----------|----------------------------------|
| RESISTANCE | 0.7749 | High Mar 21 |
| | 0.7610 | High 17/Apr/2017 (Reaction high) |
| | 0.7591 | High 24/Apr/2017 (Reaction high) |
| | 0.7555 | High 02/May/2017 (Reaction high) |
| SUPPORT | 0.7403 | Low May 19 |
| | 0.7326 | Low 09/May/2017 |
| | 0.7284 | Low 06/Jan/2017 |
| | 0.7206 | Low 04/Jan/2017 |
| ECOMMENDATION | BUY | 0.7450 |
| | SELL | ----- |
| | STOP LOSS | 0.7385 |
| | TARGET | 0.7520 0.7550 |

NZD/USD

Interest Rate: 2.00% (NZ) / 0.75%-1.00% (US)



- Correction is quite limited, face the support area at 0.6816
- Strong support at 0.6800
- Important resistance at 0.7150
[\(Research – @her1en\)](#)

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS |
|--------|---------|---------|---------|-------|---------|--------|----------|
| May 22 | 0.69347 | 0.69970 | 0.69191 | 77,9 | 0.69923 | ↑ 56,3 | 0.69360 |
| May 19 | 0.68981 | 0.69376 | 0.68801 | 57,5 | 0.69360 | ↑ 41,8 | 0.68942 |
| May 18 | 0.69448 | 0.69482 | 0.68856 | 62,6 | 0.68942 | ↓ 44,1 | 0.69383 |
| May 17 | 0.68833 | 0.69438 | 0.68765 | 67,3 | 0.69383 | ↑ 61,6 | 0.68767 |
| May 16 | 0.68823 | 0.69052 | 0.68615 | 43,7 | 0.68767 | ↑ 3 | 0.68764 |

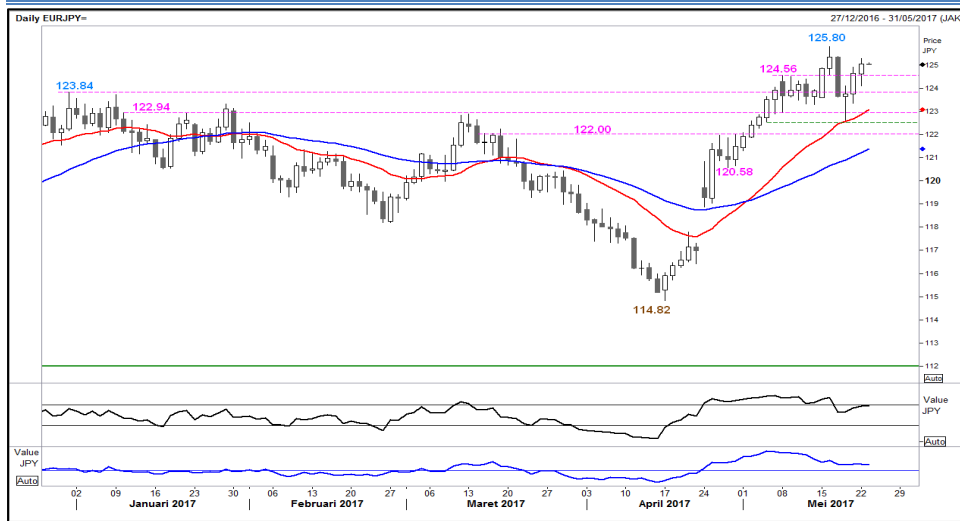
| WEEKLY | | MAY | | APRIL | | 2017 | |
|----------|----------|----------|----------|----------|----------|----------|----------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 0.69970 | 0.69191 | 0.69970 | 0.68166 | 0.7053 | 0.6849 | 0.7374 | 0.68166 |
| (22/May) | (22/May) | (22/May) | (11/May) | (24/Apr) | (27/Apr) | (07/Feb) | (11/May) |

ANALYSIS & RECOMMENDATION

| | | |
|-----------------------|-----------|----------------------------------|
| RESISTANCE | 0.7239 | High Feb 28 |
| | 0.7150 | High 02/Mar/2017 |
| | 0.7053 | High 24/Apr/2017 (Reaction high) |
| | 0.6968 | High 03/May/2017 (Reaction high) |
| SUPPORT | 0.6910 | Low May 22 |
| | 0.6876 | Low May 17 |
| | 0.6816 | Low 11/May/2017 |
| | 0.6798 | Low 03/Jun/2016 |
| RECOMMENDATION | BUY | 0.6970 |
| | SELL | ----- |
| | STOP LOSS | 0.6905 |
| | TARGET | 0.7040 0.7070 |

EUR/JPY

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



- Consecutive higher lows pattern supports a bullish signal
- Rally faces the peak level at 125.80
- Beware of RSI near the overbought zone
- Consider the crucial level at 124.56

[\(Research – @ErwinRiset\)](#)

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS |
|--------|---------|---------|---------|-------|---------|---------|----------|
| May 22 | 124.662 | 125.269 | 124.089 | 118,0 | 125.034 | ↑ 24,7 | 124.787 |
| May 19 | 123.835 | 124.913 | 123.357 | 155,6 | 124.787 | ↑ 104,4 | 123.743 |
| May 18 | 123.590 | 124.085 | 122.531 | 155,4 | 123.743 | ↑ 13,7 | 123.606 |
| May 17 | 125.302 | 125.365 | 123.597 | 176,8 | 123.606 | ↓ 173,6 | 125.342 |
| May 16 | 124.676 | 125.787 | 124.564 | 122,3 | 125.342 | ↑ 48,6 | 124.856 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|----------|----------|----------|----------|----------|----------|----------|----------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 125.269 | 124.089 | 125.787 | 121.334 | 121.99 | 114.87 | 125.787 | 114.87 |
| (22/May) | (22/May) | (16/May) | (01/May) | (28/Apr) | (17/Apr) | (16/May) | (17/Apr) |

ANALYSIS & RECOMMENDATION

| | | |
|----------------|-----------|----------------------------------|
| RESISTANCE | 127.34 | High 04/Apr/2016 |
| | 126.47 | High 28/Apr/2016 (Reaction high) |
| | 125.80 | High 16/May/2017 |
| | 125.38 | High 17/May/2017 |
| SUPPORT | 124.09 | Low 22/May/2017 |
| | 123.36 | Low 19/May/2017 |
| | 122.54 | Low 18/May/2017 |
| | 122.00 | Pivot line |
| RECOMMENDATION | BUY | 124.60 |
| | SELL | ---- |
| | STOP LOSS | 123.90 |
| | TARGET | 125.50 |
| | | 125.90 |

USD/CAD

Interest Rate: 0.75%-1.00% (US)/0.5% (CA)



- Correction continues to face the crucial support area at 1.3460
- The next support at 1.3408
- Beware of RSI was oversold
- Crucial resistance around 1.3600
[\(Research – @ErwinRiset\)](#)

| | |
|--------------------|----------------------|
| WEEKLY OPEN | CURRENT PRICE |
| 1.3518 | 1.3496 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 1.3540 (22/May) | 1.3482 (22/May) | 1.3793 (05/May) | 1.3482 (22/May) | 1.3697 (28/Apr) | 1.3220 (13/Apr) | 1.3793 (05/May) | 1.2967 (31/Jan) |

| ANALYSIS & RECOMMENDATION | | |
|---------------------------|-----------|----------------------------------|
| RESISTANCE | 1.3793 | High 05/May/2017 |
| | 1.3741 | Reaction high (hourly) |
| | 1.3669 | High 18/May/2017 (Reaction high) |
| | 1.3610 | High 19/May/2017 |
| SUPPORT | 1.3460 | Pivot line (crucial) |
| | 1.3408 | Reaction low (hourly) |
| | 1.3220 | Low 13/Apr/2017 (Bottom) |
| | 1.3162 | Low 28/Feb/2017 |
| RECOMMENDATION | BUY | ---- |
| | SELL | 1.3525 |
| | STOP LOSS | 1.3620 |
| | TARGET | 1.3430 – 1.3360 |

Precious Metal – *Daily Outlook*

Trump trouble and euro surge extend gold's gains - Reuters News



Gold on Monday extended its biggest weekly gain in five weeks as the U.S. dollar fell against the euro, while U.S. political turmoil fueled demand for bullion as a safe-haven and reduced expectations of rapid U.S. interest rate rises.

Spot gold was up 0.5 percent at \$1,260.96 an ounce at 3:05 p.m. EDT (1905 GMT), while U.S. gold futures settled 0.6 percent higher at \$1,261.40.

The metal advanced by 2.2 percent last week as the furor over U.S. President Donald Trump's alleged links to Russia and his firing of former Federal Bureau of Investigation chief James Comey

raised concerns about his ability to push through promised fiscal stimulus.

That caused a rush to safe-haven assets such as gold and drove U.S. stocks, the dollar and U.S. bond yields lower, reducing the opportunity cost of holding non-yielding bullion and making gold cheaper for holders of other currencies.

U.S. stocks gained on Monday, but Treasury yields were little changed and the dollar plunged to a six-month low when the euro rallied after German Chancellor Angela Merkel said it was "too weak" for Germany.

Gold investors were looking to news from Washington, said Commerzbank analyst Carsten Fritsch.

"If this escalates further and impeachment claims intensify, Trump will find it very difficult to push forward his ambitious tax cut and infrastructure spending plans," Fritsch told the Reuters Global Gold Forum on Monday.

INTL FCStone analyst Edward Meir said: "This should be bullish for gold since it should keep the (U.S.) Federal Reserve more dovish on the rate front for a little while longer."

Higher interest rates would pressure gold prices because they raise bond yields and tend to boost the dollar.

Dallas Fed President Robert Kaplan, a voter this year on the Fed's policy-setting panel, said on Monday the U.S. central bank should keep raising rates before year-end, though he was not yet ready to declare victory on inflation.

Investors' net long position in COMEX gold meanwhile has fallen to a two-month low, U.S. Commodity Futures Trading Commission (CFTC) data showed late Friday.

"Platinum stood out last week as the only precious metal posting gains in positioning. This week's CFTC report is likely to show further short-covering," said Joni Teves, strategist for UBS Global Research in a note.

In other precious metals, spot platinum rose 0.5 percent to \$942.90.

Silver was up 1.9 percent at \$17.14 an ounce, after rising to the highest in three weeks at \$17.21. Palladium was 1.44 percent higher at \$770.40, after falling to \$748.97, the lowest since March 15.

(Source Reuters, Research – @her1en)

GOLD (XAU/USD)



- Daily RSI is flat
- Important resistance at 1295 level
- Support at 1224
[\(Research – @her1en\)](#)

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS | AM FIX | PM FIX |
|--------|----------|----------|----------|-------|----------|---------|----------|---------|---------|
| May 22 | 1256.660 | 1262.410 | 1251.620 | 10.79 | 1260.180 | ↑ 5.97 | 1254.210 | 1255.25 | 1258.85 |
| May 19 | 1246.410 | 1255.780 | 1246.130 | 9.65 | 1254.210 | ↑ 7.28 | 1246.930 | 1251.85 | 1252.00 |
| May 18 | 1261.110 | 1264.850 | 1245.850 | 19.00 | 1246.930 | ↓ 13.89 | 1260.820 | -- | -- |
| May 17 | 1237.020 | 1260.970 | 1236.350 | 24.62 | 1260.820 | ↑ 24.23 | 1236.590 | 1244.60 | 1257.40 |
| May 16 | 1231.070 | 1238.950 | 1230.150 | 8.80 | 1236.590 | ↑ 6.57 | 1230.020 | 1234.05 | 1234.20 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|----------|----------|----------|----------|----------|----------|----------|----------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 1262.410 | 1251.620 | 1270.950 | 1214.100 | 1295.42 | 1244.04 | 1295.42 | 1146.31 |
| (22/May) | (22/May) | (01/May) | (09/May) | (17/Apr) | (05/Apr) | (17/Apr) | (03/Jan) |

ANALYSIS & RECOMMENDATION

| | | |
|-----------------------|-----------|----------------------------------|
| RESISTANCE | 1295.42 | High April 17 |
| | 1288.17 | High 21/Apr/2017 (Reaction high) |
| | 1271.10 | High 01/May/2017 (Reaction high) |
| | 1264.85 | High May 18 |
| SUPPORT | 1251.21 | Low May 22 |
| | 1246.11 | Low May 19 |
| | 1235.90 | Low May 17 |
| | 1224.05 | Low May 12 |
| RECOMMENDATION | BUY | 1258.00 |
| | SELL | ----- |
| | STOP LOSS | 1249.00 |
| | TARGET | 1268.50 1273.00 |

SILVER (XAG/USD)



- Correction occurs in daily movement
- Resistance at 18.00
- Important support at 16.40
[\(Research – @her1en\)](#)

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS |
|--------|--------|--------|--------|-------|--------|--------|----------|
| May 22 | 16.976 | 17.195 | 16.830 | 0.37 | 17.139 | ↑ 0.30 | 16.835 |
| May 19 | 16.576 | 16.861 | 16.563 | 0.30 | 16.835 | ↑ 0.27 | 16.561 |
| May 18 | 16.897 | 16.939 | 16.424 | 0.52 | 16.561 | ↓ 0.32 | 16.877 |
| May 17 | 16.810 | 17.019 | 16.753 | 0.27 | 16.877 | ↑ 0.05 | 16.830 |
| May 16 | 16.601 | 16.852 | 16.599 | 0.25 | 16.830 | ↑ 0.22 | 16.607 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|----------|----------|----------|----------|----------|----------|----------|----------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 17.195 | 16.830 | 17.246 | 16.045 | 18.63 | 17.15 | 18.63 | 15.88 |
| (22/May) | (22/May) | (01/May) | (09/May) | (17/Apr) | (28/Apr) | (17/Apr) | (03/Jan) |

ANALYSIS & RECOMMENDATION

| | | |
|---------------|-----------|--------------------------------|
| RESISTANCE | 18.00 | High Mar 25 |
| | 17.65 | High Apr 26 |
| | 17.41 | High 28/Apr/2017 |
| | 17.26 | High 01/May/2017 |
| SUPPORT | 16.77 | Low May 22 |
| | 16.54 | Low May 19 |
| | 16.40 | Low May 15 |
| | 16.01 | Low 09/May/2017 (Reaction low) |
| ECOMMENDATION | BUY | 17.10 |
| | SELL | ----- |
| | STOP LOSS | 16.80 |
| | TARGET | 17.45 |
| | | 17.65 |

OIL – Daily Outlook

Oil rises to month-high with output cut extension expected - Reuters News



Oil prices rose on Monday as growing confidence that top exporters would agree to extend supply curbs this week and speculation that the cuts could be deepened further pushed prices to their highest levels in more than a month.

Brent futures rose 26 cents, or 0.5 percent, to settle at \$53.87 a barrel, while U.S. West Texas Intermediate crude for June rose 40 cents, or 0.8 percent, to settle at \$50.73 per barrel on its last day as the front-month.

Both contracts plus WTI futures for July delivery, which will soon be the U.S. front-month, closed at their highest levels since April 18.

Both benchmarks climbed for an eighth time in the last nine trading days, putting the contracts up about 16 percent from five-month lows hit earlier this month.

Prices have risen on expectations the Organization of the Petroleum Exporting Countries and other producers, including Russia, would extend a deal at their meeting on May 25 to cut supplies by 1.8 million barrels per day (bpd) for another six or nine months.

"The decision (to extend cuts) seems to be almost a done deal," said Bjarne Schieldrop, chief commodities analyst at SEB Markets. "There seems to be a very high harmony in the group."

Saudi energy minister Khalid al-Falih paid a rare visit to Iraq on Monday in the latest effort by the top oil producer to convince its fellow OPEC member to extend supply cuts for a further nine months to ease the global glut and prop up prices.

OPEC Secretary-General Mohammad Barkindo said on Monday that he saw a growing consensus among the group's members as well as non-OPEC producers on the duration of an extension.

The possibility of deeper cuts was also being discussed ahead of a meeting of OPEC and other producers in Vienna on Thursday, sources said.

But such talk could lead to disappointment if not approved, Commerzbank analysts said.

"If the cuts are merely to be extended, this is likely to be met at best with a neutral reception, if not even with disappointment," Commerzbank said in a note.

Some analysts argue that deeper cuts are required to balance the market, but note the cuts so far have stimulated U.S. energy companies to boost shale production.

"We see risks for a renewed surplus later next year if OPEC and Russia's production rises to their expanding capacity and shale grows at an unbridled rate," Goldman Sachs said in a note.

U.S. energy companies added oil rigs for an 18th week in a row, the second-longest such streak on record, as higher crude prices motivated drillers to boost monthly shale production to its highest since mid-2015.

U.S. oil production has already climbed by 10 percent, or almost 900,000 bpd, since mid-2016 to 9.3 million bpd.

In addition, deeper OPEC cuts and higher oil prices could force some consumers to look for alternative suppliers and sources of energy.

India's petroleum and natural gas minister said Monday the country is considering U.S. and Canadian suppliers, as well as encouraging it to turn to renewable energy. [\(Source Reuters, Research – @her1en\)](#)

CLN7/USD (OIL)
 (Exp.: 20 June 2017 - Reuters)



- Important support around 48.00
- Resistance at 53.40
- Daily RSI is up [\[Research - @her1en\]](#)

| DATE | OPEN | HIGH | LOW | RANGE | CLOSE | CHANGE | PREVIOUS |
|---------------|-------|-------|-------|-------|-------|--------|----------|
| May 22 (CLN7) | 50.96 | 51.41 | 50.74 | 0.67 | 51.02 | ↑ 0.16 | 50.86 |
| May 19 (CLN7) | 49.65 | 50.86 | 49.60 | 1.26 | 50.86 | ↑ 1.23 | 49.63 |
| May 18 (CLN7) | 49.25 | 49.91 | 48.37 | 1.54 | 49.63 | ↑ 0.36 | 49.27 |
| May 18 (CLM7) | 48.92 | 49.58 | 48.04 | 1.54 | 49.33 | ↑ 0.39 | 48.94 |
| May 17 | 48.18 | 49.47 | 48.02 | 1.45 | 48.94 | ↑ 0.73 | 48.21 |
| May 16 | 48.82 | 49.36 | 48.16 | 1.20 | 48.21 | ↓ 0.59 | 48.80 |

| WEEKLY | | MAY | | APRIL | | 2017 | |
|----------|----------|----------|----------|----------|----------|----------|----------|
| HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| 51.41 | 50.74 | 51.41 | 43.75 | 53.74 | 48.21 | 55.22 | 43.75 |
| (22/May) | (22/May) | (22/May) | (05/May) | (12/Apr) | (27/Apr) | (03/Jan) | (05/May) |

ANALYSIS & RECOMMENDATION

| | | |
|-----------------------|-----------|--|
| RESISTANCE | 55.43 | High Mar 01 |
| | 54.45 | Reaction high on 1-H chart (High Apr 12) |
| | 53.42 | High Apr 19 |
| | 51.74 | High Apr 20 |
| SUPPORT | 50.75 | Low May 22 |
| | 49.60 | Low May 19 |
| | 48.37 | Low May 18 |
| | 48.03 | Low May 17 |
| RECOMMENDATION | BUY | 50.90 |
| | SELL | ----- |
| | STOP LOSS | 50.10 |
| | TARGET | 52.20 52.70 |