

# DAILY MARKET REPORT

GLOBAL MARKETS & ECONOMIES | WEEKLY ECONOMIC INDICATORS | ASIAN STOCK INDICATORS |  
CURRENCIES | PRECIOUS METAL | OIL |

## **GLOBAL MARKETS**

- Global stock markets pared losses and the dollar cut gains on Wednesday after the release of minutes from the U.S. Federal Reserve's May 1-2 meeting amid heightened concerns that setbacks to U.S.-China trade talks would undermine world economic growth.

## **GLOBAL ECONOMIES**

- The possibility of "something going wrong in China" is among the biggest economic risks faced by Australia, Reserve Bank of Australia Governor Philip Lowe said on Wednesday, citing the build-up of debt in the world's second largest economy.
- New Zealand's central bank could slash interest rates into "modestly negative territory" and undertake large-scale asset purchases in case of a major financial crisis, it said in a research paper on Wednesday.
- China's central bank pledged on Wednesday to improve its information disclosure as part of steps to make its policy-making process more transparent.
- Japan will delay its time frame for a balanced budget by five years to 2025, government and ruling party proposals show, leaving premier Shinzo Abe room to open the fiscal spigot to ease the economic blow from a sales tax hike next year.
- Euro zone economic growth slowed much more sharply than expected this month, a business survey showed, which along with weaker inflation has intensified concerns there will be no return to the bloc's recent boom times.
- British inflation fell unexpectedly in April, according to data that prompted fresh questions about when the Bank of England would next raise interest rates and pushed sterling to its lowest level against the dollar this year.
- Sales of new U.S. single-family homes fell less than expected in April amid a rise in transactions in the South and Northeast, but data for the prior three months was revised lower.

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## GLOBAL MARKETS & ECONOMIES

### GLOBAL MARKETS

**U.S. & Global Markets** – Global stock markets pared losses and the dollar cut gains on Wednesday after the release of minutes from the U.S. Federal Reserve's May 1-2 meeting amid heightened concerns that setbacks to U.S.-China trade talks would undermine world economic growth.

U.S. President Donald Trump said trade discussions with China would need to be rerouted, saying the current track appeared "too hard to get done" and any agreement reached between the world's two largest economies needed "a different structure."

The remarks came a day after Trump said he was not pleased with U.S.-China talks, reversing a rally pegged to the White House's optimistic comments about the discussions over the weekend that led to a strong rally on Monday.

The sell-off was tempered, however, after the Fed released its meeting minutes, indicating interest rates would not be raised at a faster-than-expected pace. That tipped the Dow, S&P 500, Nasdaq and Russell 2000 indexes to close slightly positive.

"The stock market seems to have reacted positively to it," said Michael Arone, chief investment strategist at State Street Global Advisors in Boston. "Part of what's driving that is the market was bracing for the meeting minutes to be a bit more hawkish than they are."

The Dow Jones Industrial Average rose 52.4 points, or 0.21 percent, to 24,886.81, the S&P 500 gained 8.85 points, or 0.32 percent, to 2,733.29 and the Nasdaq Composite added 47.50 points, or 0.64 percent, to 7,425.96.

Broad risk aversion hurt the dollar against the Japanese yen. The Japanese currency strengthened 0.73 percent versus the greenback at 110.10 per dollar.

But the greenback managed to rise to a six-month high against the euro on data indicating a slowdown in European business activity before paring gains after Wednesday's Fed minutes release.

The pan-European FTSEurofirst 300 index lost 1.16 percent and MSCI's gauge of stocks across the globe shed 0.31 percent.

Another reason for the euro's woes is Italy, where an incoming coalition government comprised of the two anti-establishment parties - the League and 5-Star - looks likely to implement big-spending policies.

That could add to the country's big debt pile and cause Rome to clash with the European Union.

Investors were also eyeing Turkey, whose central bank raised interest rates by 300 basis points in an emergency move to put a floor under the plunging lira currency.

Turkey's central bank, which had been scheduled to hold its next policy-setting meeting on June 7, said it had increased its top interest rate to 16.5 percent from 13.5 percent.

The lira has fallen about 20 percent so far this year to a series of record lows, but the currency reversed course after the central bank decision and was about 2 percent firmer on the day at 4.5717 to the dollar at 1637 GMT. Still, the lira is "not out of the woods yet," said Win Thin, global head of emerging market currency strategy at Brown Brothers Harriman in New York.

"The relief is unlikely to last, especially if emerging markets continue to be under pressure," Thin said. "The (Turkish) central bank will see how markets react and it will be important how they react when Europe opens" on Thursday.

Investors have sold off their lira holdings on concerns about loose monetary policy, particularly after recent comments by President Tayyip Erdogan, a self-described "enemy of interest rates."

*(Source Reuters – @her1en)*

### GLOBAL ECONOMIES

**Australia** – The possibility of "something going wrong in China" is among the biggest economic risks faced by Australia, Reserve Bank of Australia

Governor Philip Lowe said on Wednesday, citing the build-up of debt in the world's second largest economy.

China is now Australia's largest trading partner, accounting for nearly a third of all exports, according to official data. Australia also enjoys a steady stream of tourists and students from the mainland, providing a significant boost to its economy.

"A stable and robust financial system in China is clearly in Australia's interest," Lowe said in prepared remarks for a speech in Sydney titled "Australia's deepening economic relationship with China: opportunities and risks".

"Perhaps the single biggest risk to the Chinese economy at the moment lies in the financial sector and the big run-up in debt there over the past decade."

China is a major foreign investor in the Australian economy, snapping up transport infrastructure and commercial properties, which means a sharp slowdown there could impede growth in Australia's A\$1.8 trillion economy. Lowe said outstanding debt in China relative to the size of the economy is now "unusually high" by emerging market standards and greater than in many advanced economies.

"The experience is that the build-up of financial risks like those seen in China is almost always followed by a marked slowdown in GDP growth or a financial crisis," Lowe said, adding such an outcome was not inevitable.

Recent measures by Chinese authorities and their willingness to tolerate slower economic growth provide a "strong signal" they are serious about addressing the vulnerabilities in the country's financial system, Lowe said.

Indeed, the RBA has devoted considerable resources to understanding China and its economy, Lowe added.

"We have more staff looking at China than any other single overseas economy," he said.

"This reflects not just the importance of the Chinese economy to us but also the fact that Australia and China have different political systems, different governance arrangements and different financial systems."

The RBA also now holds 5 percent of its foreign currency reserves in yuan, he added.

**New Zealand** – New Zealand's central bank could slash interest rates into "modestly negative territory" and undertake large-scale asset purchases in case of a major financial crisis, it said in a research paper on Wednesday.

In an interview with Bloomberg following the release of the paper, RBNZ Assistant Governor John McDermott said while there's "no imminent prospect" of using such measures, "the probability of needing them at this point in the cycle is higher than it ever was in history."

"It would be silly of us not to be ready just in case," he told Bloomberg.

The New Zealand dollar fell to a session low of \$0.6901 on the news, from a one-week top of \$0.6974 touched on Tuesday.

The RBNZ weathered the global financial crisis without having to push rates to zero or into negative territory, unlike its peers in Europe, Japan and the United States.

The central bank last cut rates to a record low 1.75 percent in late 2016 and has repeatedly indicated the need for policy to remain stimulatory as inflation remains tepid.

There is "significant further room" to ease policy if needed, although the central bank is not currently projecting a "significant decrease" in interest rates, it said in the paper.

It studied the unconventional policies used by central banks abroad and focussed on five of the "most viable options" for New Zealand namely negative cash rate, asset purchases, buying foreign bonds and/or interest rate swaps and targeted term lending.

"This is all about planning for the future," McDermott told Bloomberg.

Their use would require a very large shock to the economy, "like another global financial crisis or a bigger Asian financial crisis embodying China, something that really has a big impact," McDermott said.

#### DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

**China** – China's central bank pledged on Wednesday to improve its information disclosure as part of steps to make its policy-making process more transparent.

The People's Bank of China (PBOC) has been trying to communicate more effectively with markets when it issues new policies and give more context and details to global investors often puzzled by China's opaque policy-making process.

"We will continuously improve the central bank's credibility and transparency," the PBOC said in a notice published on its website.

The central bank would "strengthen its policy interpretation and information disclosure, deliver its policy intentions in a timely way and reasonably guide market expectations", it said.

The central bank said it would issue data on bank lending, internet finance and payments system in a timely manner and get its message across through media briefings and interviews.

The PBOC would also closely monitor media reports and public opinion to prevent its policy intentions from being misread by the financial market, it added.

The central bank reaffirmed that it would maintain its prudent and neutral policy while preventing financial risks.

The PBOC has in recent years gained more policy influence, even though the central bank still lacks the independence of institutions such as the U.S. Federal Reserve and needs cabinet approval to change interest rates or the value of the yuan.

**Japan** – Japan will delay its time frame for a balanced budget by five years to 2025, government and ruling party proposals show, leaving premier Shinzo Abe room to open the fiscal spigot to ease the economic blow from a sales tax hike next year.

The government is also likely to remove a numerical cap it had set in the past three years on social welfare spending, the proposals show.

The moves underscore the challenge Japan faces in fixing its tattered finances as the cost for funding a rapidly ageing population continues to grow. The delay in balancing the budget had been widely expected but the removal of the spending cap was less certain.

Abe's administration is already drafting a list of steps, such as tax breaks for home purchases, to prevent the sales tax hike to 10 percent from 8 percent next October from cooling consumption, documents seen by Reuters showed.

Requests for such spending will be taken into account when the government compiles new fiscal guidelines in June, which could reinforce the view Abe is putting fiscal reform on the back burner as he focuses more on growth than austerity.

Japan's dire fiscal outlook prompted a ruling party panel led by Fumio Kishida, the party's policy chief and a possible candidate for next prime minister, to call for more debate not just on spending cuts but on higher taxes.

"It's hard to restore fiscal health unless Japan undergoes reform not just on spending but revenues reflecting social and economic developments," the panel said in a proposal on Tuesday.

Japan had originally aimed to achieve a budget surplus in fiscal 2020. But Abe shelved that deadline last year when he called a snap election with a pledge to revamp the social welfare system for all generations.

Ruling party and finance ministry panels called for setting the new deadline for achieving a surplus in the primary budget - which excludes debt servicing and new bond sales - at the fiscal year ending in March 2026 in proposals made on Wednesday.

Both panels stopped short of setting a numerical target on social welfare costs, which make up roughly 30 percent of annual government spending. In the past three years, the government had limited annual increases in social welfare spending to 500 billion yen (\$4.55 billion).

**Euro Zone** – Euro zone economic growth slowed much more sharply than expected this month, a business survey showed, which along with weaker inflation has intensified concerns there will be no return to the bloc's recent boom times.

The European Central Bank will end its asset purchase programme this year and hike interest rates in 2019, a Reuters poll found last month, although policymakers may be concerned to see inflation easing along with growth.

While the expansion still remained relatively strong, growth slowed to a 20-month low in the bloc's largest economy, Germany, and the lowest in a year in a half in No. 2 economy France, according to the latest IHS Markit purchasing managers' surveys.

French unemployment also rose in the first three months of 2018, confounding economists' expectations for a decline, according to separate official data.

The euro fell to a six-month low after the German PMI data, which are released before the euro zone numbers, raised concerns a slowdown in Europe's biggest economy in recent months was more widespread than previously thought.

"Contemplating the euro zone's growth perspectives we, unfortunately, might have to refer to the famous Looney Tunes catchphrase 'That's all folks!'," noted Peter Vanden Houste, an economist at ING.

The Euro Zone Composite Flash Purchasing Managers' Index (PMI), seen as a good guide to economic activity, sank in May to an 18-month low of 54.1 from 55.1, below all forecasts in a Reuters poll which predicted a dip to 55.0.

Figures above 50.0 in the PMIs suggest expansion.

Having outpaced its peers in 2017, expanding at record levels at the turn of the year, euro zone growth has steadily weakened. Forward-looking indicators in the PMIs also deteriorated, suggesting no imminent bounce-back.

"May's fall in the euro zone PMI yet again partly reflected temporary factors, but the continued softness of the surveys in Q2 is certainly a concern. The declines in the forward-looking components are somewhat worrying," said Jessica Hinds at Capital Economics.

**UK** – British inflation fell unexpectedly in April, according to data that prompted fresh questions about when the Bank of England would next raise interest rates and pushed sterling to its lowest level against the dollar this year.

Consumer prices rose by an annual 2.4 percent, the Office for National Statistics said on Wednesday, marking a 13-month low as the timing of the Easter holidays meant air fares pushed down on inflation last month.

Although the BoE had expected inflation to ease in April, most economists in a Reuters poll thought it would hold steady at 2.5 percent and some had forecast a rise. It was the second surprise fall in a row after a drop in March's figures.

"With consumers remaining cautious and borrowing appearing to have fallen substantially, a rate hike over the next few months is certainly not a done deal," ING economist James Smith said.

Investors priced in a one-in-three chance of the BoE raising borrowing costs in August -- the next time it updates its economic forecasts -- down from 50/50 earlier this week.

Two weeks ago the BoE refrained from a hike that had at one point been widely expected as it waited to see if the economy's weak start to the year simply reflected heavy snowfall.

A Reuters poll of economists, conducted before Wednesday's data, showed most still expected an August hike.

High inflation, caused by the pound's drop after the 2016 Brexit vote, squeezed British consumers last year. Although it has receded from its November peak of 3.1 percent, it is running above the BoE's target of 2.0 percent.

On Tuesday, Bank of England Governor Mark Carney cited a new sugar tax on soft drinks, as well as higher utility bills and petrol prices, as reasons why inflation in Britain "probably tips up a bit" in the coming months before resuming a decline.

The ONS said soft drink prices rose sharply over the last couple of months but the overall impact on inflation was small.

Data last week showed inflation in the euro zone also slowed in April.

Wednesday's figures pointed to some signs of inflation pressure still in the pipeline in Britain.

Prices of goods leaving factories increased at a faster rate than expected last month and the cost of raw materials -- many of them imported such as

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

oil -- was 5.3 percent higher than in April 2017, up sharply from an increase of 4.4 percent in March and suggesting a long run of weakening price growth has ended.

**U.S.** – Sales of new U.S. single-family homes fell less than expected in April amid a rise in transactions in the South and Northeast, but data for the prior three months was revised lower.

The Commerce Department said on Wednesday new home sales dropped 1.5 percent to a seasonally adjusted annual rate of 662,000 units last month. March's sales pace was revised down to 672,000 units from the previously reported 694,000 units.

Economists polled by Reuters had forecast new home sales, which account for about 11 percent of housing market sales, falling 2.0 percent to a pace of 679,000 units in April.

The government revised sales data going back to 2013, which also showed sales in February and January not as strong as previously reported. New home sales are drawn from permits and tend to be volatile on a month-to-month basis.

They increased 11.6 percent from a year ago.

U.S. financial markets were little moved by the data.

New home sales are benefiting from an inventory squeeze in the market for previously owned houses, which is constraining home resales. Builders have been unable to keep up with demand for housing, which is being

driven by a robust labor market, citing expensive lumber as well as land and worker shortages.

Tight inventories are pushing up house prices. At the same time, mortgage rates have climbed to seven-year highs, making home purchasing less affordable, especially for first-time buyers who account for less than a third of transactions.

The 30-year fixed-rate mortgage rate averaged 4.61 percent in the week ended May 17, the highest level since May 2011, according to Freddie Mac. That compared to an average of 4.55 percent in the prior week. Mortgage rate are rising in tandem with U.S. Treasury yields amid growing concerns about inflation.

Sales rose 0.3 percent in the South, which accounts for the bulk of new home sales. They rebounded 11.1 percent in the Northeast and were unchanged in the Midwest. Sales in the West dropped 7.9 percent in April.

The median new house price increased 0.4 percent to \$312,400 in April from a year ago. Last month, there were 300,000 new homes on the market, up 0.7 percent from March. Supply is just over half of what it was as the peak of the housing market boom in 2006.

At April's sales pace it would take 5.4 months to clear the supply of houses on the market, up from 5.3 months in March. About two-thirds of the houses sold last month were either under construction or yet to be built.

*(Source Reuters, Research – @her1en)*

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
<b>Mon/21-May-18</b>	04:00	KR	PPI YoY	Apr	1.6%	1.5%	1.4%	
	05:45	NZ	Retail Sales Ex Inflation QoQ	1Q	0.1%	--	1.7%	
	06:50	JP	Exports YoY	Apr	7.8%	8.7%	2.1%	
	06:50	JP	Imports YoY	Apr	5.9%	9.8%	-0.6%	
	06:50	JP	Trade Balance	Apr	¥626.0b	¥440.0b	¥797.3b	¥797.0b
	06:50	JP	Trade Balance Adjusted	Apr	¥550b	¥114.9b	¥119.2b	
	15:30	HK	CPI Composite YoY	Apr	-	--	2.6%	
	19:30	US	Chicago Fed Nat Activity Index	Apr	0.34	--	0.1	0.32
	23:15	US	Fed's Bostic Speaks to Atlanta Economics Club					
	All Day	CA	Bank Holiday/Victoria Day					
	All Day	CH	Bank Holiday/Whit Monday					
<b>Tue/22-May-18</b>	01:05	US	Fed's Harker Speaks in New York					
	04:30	US	Fed's Kashkari Speaks at Moderated Q&A in Escanaba, MI					
	15:30	GB	Central Government NCR	Apr	-	--	19.9b	
	15:30	GB	PSNB ex Banking Groups	Apr	7.84b	8.5b	0.799b	
	15:30	GB	Public Finances (PSNCR)	Apr	-9.71b	--	1.31b	
	15:30	GB	Public Sector Net Borrowing	Apr	6.23b	7.1b	-0.8b	
	17:00	GB	CBI Trends Selling Prices	May	19	18	18	
	17:00	GB	CBI Trends Total Orders	May	-3	2	4	
	21:00	US	Richmond Fed Manufact. Index	May	16	8	-3	
<b>Wed/23-May-18</b>	07:30	JP	Nikkei Japan PMI Mfg	May P	52.5	--	53.8	
	07:30	AU	Westpac Leading Index MoM	Apr	0.19%	--	-0.22%	-0.13%
	11:30	JP	All Industry Activity Index MoM	Mar	0.0%	0.1%	0.4%	
	13:00	JP	Machine Tool Orders YoY	Apr F	22%	--	22.0%	
	14:30	DE	Markit Germany Services PMI	May P	52.1	53.0	53	
	14:30	DE	Markit/BME Germany Composite PMI	May P	53.1	54.6	54.6	
	14:30	DE	Markit/BME Germany Manufacturing PMI	May P	56.8	57.9	58.1	
	15:00	EU	Markit Eurozone Composite PMI	May P	54.1	55.1	55.1	
	15:00	EU	Markit Eurozone Manufacturing PMI	May P	55.5	56.1	56.2	
	15:00	EU	Markit Eurozone Services PMI	May P	53.9	54.7	54.7	
	15:00	AU	RBA's Lowe Gives Speech in Sydney					
	15:30	GB	CPI Core YoY	Apr	2.1%	2.2%	2.3%	
	15:30	GB	CPI MoM	Apr	0.4%	0.5%	0.1%	
	15:30	GB	CPI YoY	Apr	2.4%	2.5%	2.5%	
	15:30	GB	CPIH YoY	Apr	2.2%	2.2%	2.3%	
	15:30	GB	PPI Input NSA MoM	Apr	0.4%	1.0%	-0.1%	0.1%
	15:30	GB	PPI Input NSA YoY	Apr	5.3%	5.8%	4.2%	4.4%
	15:30	GB	PPI Output Core NSA MoM	Apr	0.1%	0.3%	0.1%	0.2%
	15:30	GB	PPI Output Core NSA YoY	Apr	2.4%	2.1%	2.2%	2.7%
	15:30	GB	PPI Output NSA MoM	Apr	0.3%	0.3%	0.2%	0.3%
	15:30	GB	PPI Output NSA YoY	Apr	2.7%	2.3%	2.4%	2.7%
	15:30	GB	Retail Price Index	Apr	279.7	279.8	278.3	
	17:00	GB	CBI Retailing Reported Sales	May	11	5	-2	
17:00	GB	CBI Total Dist. Reported Sales	May	17	--	6		
20:45	US	Markit US Composite PMI	May P	55.7	55	54.9		
20:45	US	Markit US Manufacturing PMI	May P	56.6	56.6	56.5		
20:45	US	Markit US Services PMI	May P	55.7	--	54.6		
21:00	EU	Consumer Confidence	May A	0.2	0.5	0.4	0.3	
21:00	US	New Home Sales	Apr	662k	680k	694k	672k	
21:00	US	New Home Sales MoM	Apr	-1.5%	-2.1%	4.0%	2%	
21:30	US	DOE Cushing OK Crude Inventory	May-18	-1123k	--	53k		
21:30	US	DOE U.S. Crude Oil Inventories	May-18	5778k	-2000k	-1404k		
21:30	US	DOE U.S. Distillate Inventory	May-18	-951k	-1250k	-92k		
21:30	US	DOE U.S. Gasoline Inventories	May-18	1883k	-1430k	-3790k		
<b>Thu/24-May-18</b>	01:00	US	FOMC Meeting Minutes	May-02		--	--	
	05:45	NZ	Exports NZD	Apr		--	4.85b	
	05:45	NZ	Imports NZD	Apr		--	4.94b	
	05:45	NZ	Trade Balance 12 Mth YTD NZD	Apr		--	-3421m	
	05:45	NZ	Trade Balance NZD	Apr		--	-86m	
	N/A	KR	BoK 7-Day Repo Rate	May-24		--	1.50%	
	N/A	AU	RBA's Bullock Gives Speech in Amsterdam					

## DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

# Daily Outlook

24-May 18

0.0001 AUD/US 0.7683

	8:30	JP	BOJ Sakurai speaks in Maebashi					
	12:00	JP	Coincident Index	Mar F		--	116.4	
	12:00	JP	Leading Index CI	Mar F		--	105	
	13:00	DE	Exports QoQ	1Q		--	2.7%	
	13:00	DE	GDP NSA YoY	1Q F		--	1.6%	
	13:00	DE	GDP SA QoQ	1Q F		--	0.3%	
	13:00	DE	GDP WDA YoY	1Q F		--	2.3%	
	13:00	DE	GfK Consumer Confidence	Jun		--	10.8	
	13:00	DE	Imports QoQ	1Q		--	2.0%	
	13:00	DE	Private Consumption QoQ	1Q		--	0.0%	
	15:15	US	Fed's Dudley Speaks on Reference Rate Reform at BoE Event					
	15:30	GB	Retail Sales Ex Auto Fuel MoM	Apr		--	-0.5%	
	15:30	GB	Retail Sales Ex Auto Fuel YoY	Apr		--	1.1%	
	15:30	GB	Retail Sales Inc Auto Fuel MoM	Apr		--	-1.2%	
	15:30	GB	Retail Sales Inc Auto Fuel YoY	Apr		--	1.1%	
	19:30	US	Continuing Claims	May-12		--	1707k	
	19:30	US	Initial Jobless Claims	May-19		--	222k	
	20:00	US	FHFA House Price Index MoM	Mar		--	0.6%	
	20:00	US	House Price Purchase Index QoQ	1Q		--	1.6%	
	21:00	US	Existing Home Sales	Apr		5.57m	5.60m	
	21:00	US	Existing Home Sales MoM	Apr		-0.5%	1.1%	
	22:00	US	Kansas City Fed Manf. Activity	May		--	26	
<b>Fri/25-May-18</b>	01:00	US	Fed's Harker Speaks About Technology's Impact on Labor Market					
	14:15	CH	Industrial Output WDA YoY	1Q		--	8.7%	
	14:15	CH	Industry & Construction Output WDA YoY	1Q		--	8.5%	
	15:00	DE	IFO Business Climate	May		--	102.1	
	15:00	DE	IFO Current Assessment	May		--	105.7	
	15:00	DE	IFO Expectations	May		--	98.7	
	15:30	GB	Exports QoQ	1Q P		--	-0.9%	
	15:30	GB	GDP QoQ	1Q P		--	0.1%	
	15:30	GB	GDP YoY	1Q P		--	1.2%	
	15:30	GB	Imports QoQ	1Q P		--	0.4%	
	15:30	GB	Index of Services 3M/3M	Mar		--	0.4%	
	15:30	GB	Index of Services MoM	Mar		--	-0.2%	
	15:30	GB	Private Consumption QoQ	1Q P		--	0.3%	
	15:30	GB	Total Business Investment QoQ	1Q P		--	0.3%	
	15:30	GB	Total Business Investment YoY	1Q P		--	2.6%	
	19:30	US	Cap Goods Orders Nondef Ex Air	Apr P		0.50%	-0.4%	
	19:30	US	Cap Goods Ship Nondef Ex Air	Apr P		--	-0.8%	
	19:30	US	Durable Goods Orders	Apr P		-1.50%	2.6%	
	19:30	US	Durables Ex Transportation	Apr P		0.50%	0.1%	
	20:00	US	Fed's Powell Joins Riksbank's 350th Anniversary Conference					
	21:00	US	U. of Mich. 1 Yr Inflation	May F		--	2.8%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	May F		--	2.5%	
	21:00	US	U. of Mich. Current Conditions	May F		--	113.3	
	21:00	US	U. of Mich. Expectations	May F		--	89.5	
	21:00	US	U. of Mich. Sentiment	May F		98.8	98.8	
	22:45	US	Fed's Kaplan, Evans and Bostic Speak at Dallas Fed					
<b>Sat/26-May-18</b>	00:00	US	Baker Hughes U.S. Rig Count	May-25		--	1046	

[Source: Bloomberg-Reuters-Forexfactory-DailyFX-Tradingeconomics-FXStreet, Research: @LukmanLoeng,@her1en,rizal]

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## ASIAN STOCK INDEX

**Japan's Nikkei** share average suffered its biggest fall in two months on Wednesday, as comments from U.S. President Donald Trump rekindled worries about trade friction, hurting steelmakers and shippers among others.

The Nikkei tumbled 1.2 percent to 22,690, after sliding to 22,650 earlier, the weakest intraday level since May 11.

Trump on Tuesday said he was not pleased with recent trade talks between the United States and China, checking hopes that the world's two biggest economies were on course to hammer out a deal. U.S. Treasury Secretary Steven Mnuchin has earlier said that trade war is "on hold", sending the Nikkei over the psychologically important 23,000 level on Monday.

Trump's latest remarks followed Beijing's announcement that it would cut import tariffs for automobiles and car parts.

"I don't think we need to worry too much about trade war hitting the market harder than now because China is seen compromising as it tries to defuse trade tensions with the U.S.," said Isao Kubo, equity strategist at Nissay Asset Management.

"That said, although investors do not expect that tension will deteriorate dramatically from the current state, there is still lingering uncertainty and that's keeping activity in check."

The broader Topix skidded 0.7 percent to 1,797, with small shares outperforming large cap shares.

Topix Small eased 0.1 percent, compared to a 0.9 percent fall in Topix Core 30. So far this week, the Topix Small is down 0.2 percent whereas the top 30 firms are down 1.4 percent.

The Nikkei volatility index jumped to three-week high of 16.41.

**South Korea's KOSPI stock** index closed higher on Wednesday. The Korean won ended stronger against the greenback in the local platform, while bond yields dropped.

At 0630 GMT, the KOSPI was up 6.34 points or 0.26 percent at 2,471.91.

Shares of major chipmaker SK Hynix rose nearly 7 percent to close at their highest since June 2001. Tech shares were boosted by gains in SK Hynix. Samsung Electronics rose 3.6 percent, while the sub-index for electric and electricity shares gained 3.7 percent.

The won was quoted at 1,080.7 per dollar on the onshore settlement platform, 0.43 percent firmer than its previous close at 1,085.4.

In offshore trading, the won was quoted at 1,079.46 per U.S. dollar, down 0.36 percent from the previous day, while in one-year non-deliverable forwards it was being asked at 1,062 per dollar.

The KOSPI is down around 0.1 percent so far this year, and slipped 1.15 percent in the previous 30 days.

The current price-to-earnings ratio is 12.10, the dividend yield is 1.28 percent and the market capitalisation is 1,242.04 trillion won.

The trading volume during the session on the KOSPI index was 746,409,000 shares, and of the total traded issues of 886, the number of advancing shares was 247.

In money and debt markets, June futures on three-year treasury bonds rose 0.02 points to 107.7.

The Korean 3-month Certificate of Deposit benchmark rate was quoted at 1.65 percent, while the benchmark 3-year Korean treasury bond yielded 2.244 percent, lower than the previous session's 2.25 percent.

**Hong Kong** stocks posted their biggest intraday fall in seven weeks on Wednesday, pulled down by energy shares which slumped after Beijing intervened to cool the red-hot coal market.

The Hang Seng index ended down 1.8 percent at 30,665.64, while the China Enterprises Index closed 2.1 percent lower at 12,090.79 points.

The energy sector tumbled over 5 percent. Coal miners, including China Shenhua, Yanzhou Coal and China Coal were among the biggest casualties.

China's state planner ordered utilities this week to stop stockpiling thermal coal and told miners to slash prices, two sources familiar with the matter said, the government's first direct intervention to cool coal prices since mid-2016.

The subindex of Hang Seng tracking the IT sector dipped 0.32 percent, the financial sector was 1.95 percent lower and property sector dipped 1.58 percent.

The top gainer on Hang Seng was Sunny Optical Technology Group Co Ltd up 1.61 percent, while the biggest loser was China Petroleum & Chemical Corp, which was down 6.34 percent.

**China stocks** fell the most in a month on Wednesday, dragged by a slump in coal miners as Beijing intervened to cool the red-hot coal market.

The blue-chip CSI300 index fell 1.3 percent to 3,854.58, while the Shanghai Composite Index declined 1.4 percent to 3,168.96 points, their sharpest single-day drop since late April.

Investors also turned cautious after U.S. President Donald Trump tempered optimism over progress made so far in trade talks between the world's two largest economies.

Trump said on Tuesday he was not pleased with recent trade talks between the United States and China, souring the improved market sentiment following weekend comments from U.S. Treasury Secretary Steven Mnuchin that trade war is "on hold".

"The trade tensions between China and the United States have eased somewhat, though it's very unlikely to be the end 'of tension between the two countries'," said Yifan Hu, regional chief investment officer, Greater China, and chief China Economist, UBS Wealth Management. Sino-U.S. relationship is entering into a "new normal", and the trade disputes between the two countries would last for several years, Hu added.

Main sectors fell across the board, led by energy firms. An index tracking major energy firms closed down 4.2 percent, with losses led by coal miners.

China's largest coal miner, China Shenhua, tumbled 7 percent in its worst day since early 2016, while Yanzhou Coal Mining plummeted the maximum allowed 10 percent.

China's state planner ordered utilities this week to stop stockpiling thermal coal and told miners to slash prices, two sources familiar with the matter said, the government's first direct intervention to cool coal prices since mid-2016.

So far this year, the Shanghai stock index is down 4.2 percent, the CSI300 has fallen 4.4 percent, while China's H-share index listed in Hong Kong is up 3.9 percent. Shanghai stocks have risen 2.82 percent this month.

As of 07:07 GMT, China's A-shares were trading at a premium of 20.84 percent over the Hong Kong-listed H-shares.

[\(Source: Reuters, Research: rizal\)](#)

### DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## ASIA AND GLOBAL MARKET SPOT PRICE 2018

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	339.59 (02/Nov/2017)	33154.12 (26/Jan/2018)	26616.71 (26/Jan/2018)	2872.62 (26/Jan/2018)	6124.04400 (16/Oct./07)
<b>2017 HIGH</b>	23439.15 (13/Nov/2017)	339.59 (02/Nov/2017)	30199.69 (22/Nov/2017)	24876.07 (18/Dec/2017)	2694.97 (18/Dec/2017)	3450.49490 (14/Nov/2017)
<b>2018 HIGH</b>	24129.34 (23/Jan/2018)	338.05 (29/Jan/2018)	33154.12 (26/Jan/2018)	26616.71 (26/Jan/2018)	2872.62 (26/Jan/2018)	3587.50890 (29/Jan/2018)
<b>2018 LOW</b>	20617.86 (23/Mar/2018)	304.58 (05/Mar/2018)	29129.26 (09/Feb/2018)	23360.29 (08/Feb/2018)	2532.69 (08/Feb/2018)	3062.74260 (08/Feb/2018)
<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>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 – 23 May 2018

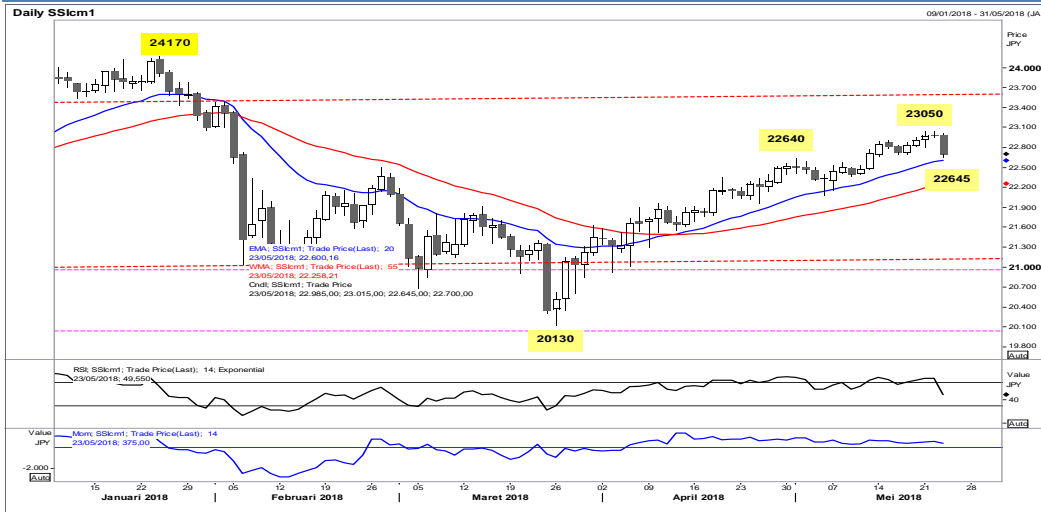
	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	24886.81	↑ 52.40/0.21%	.N225	22689.74	↓ 270.60/1.18%
/.SPX	2733.26	↑ 8.82/0.32%	.KS200	318.31	↑ 2.06/0.65%
/.IXIC	7425.955	↑ 47.500/0.64%	.HSI	30665.64	↓ 568.71/1.82%
JPY=	110.07	↓ 0.80/0.72%	/.SSEC	3169.23930	↓ 45.11040/1.40%
KRW=	1076.25	↑ 0.71/0.06%	/CLc1 (Oil)	71.83	↓ 0.26/0.36%

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report



## SSlamM8 (Nikkei Jun Futures) – Last Trading Date: 07 Jun 2018



- RSI 14 is near the overbought zone
  - Daily daily corrections
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
22 May SSipmM8	22695	22695	22475	220	22610	---	↓ 90	0.40	32970
22 May SSIamM8	22925	22950	22645	305	22700	22700	↓ 285	1.24	67655
22 May SSipmM8	22985	23015	22910	105	22930	---	↓ 55	0.24	9593
22 May SSIamM8	23010	23025	22955	70	22985	22985	↑ 10	0.04	26591
21 May SSipmM8	22990	23040	22980	60	23025	---	↑ 50	0.22	9636
21 May SSIamM8	22900	23050	22895	155	22975	22975	↑ 65	0.28	36968
18 May SSipmM8	22925	22935	22810	125	22810	---	↓ 100	0.44	12898
18 May SSIamM8	22925	22960	22865	95	22910	22910	↑ 70	0.31	35799
17 May SSipmM8	22830	22955	22820	135	22885	---	↑ 45	0.20	14576
17 May SSIamM8	22800	22880	22790	90	22840	22840	↑ 100	0.44	34823

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
23050	22475	23050	22085	22640	20920	24170	20130
(21/May)	(23/May)	(21/May)	(03/May)	(30/Apr)	(02/Apr)	(23/Jan)	(23/Mar)

### ANALYSIS & RECOMMENDATION

RESISTANCE	23140	High on 1 Hourly Chart
	23050	High May 21,2018
	22925	High on 1 Hourly Chart
	22730	High on 1 Hourly Chart
SUPPORT	22570	Low on 1 Hourly Chart
	22405	Low May 10,2018
	22265	Low Apr 27,2018
	22140	Low Apr 26,2018
RECOMMENDATION	BUY	22580
	SELL	----
	STOP LOSS	22430
	TARGET	22780 22880

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## KSM8 (Kospi Jun Futures) – Exp. Date: 07 Jun 2018



- Daily daily corrections
  - RSI 14 is near the oversold zone
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
23 May	316.20	318.75	315.85	2.90	318.30	318.30	↑ 2.05	0.65	146188
22 May	--	H	O	L	I	D	A	Y	--
21 May	316.15	317.30	313.65	3.65	316.25	316.25	↑ 0.35	0.11	148887
18 May	315.50	316.00	314.80	1.20	315.90	315.90	↑ 1.35	0.43	98653
17 May	317.35	318.15	314.55	3.60	314.55	314.55	↓ 1.50	0.47	146279
16 May	313.90	316.95	313.65	3.30	316.05	316.05	↑ 1.15	0.37	161004

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
318.75 (23/May)	313.65 (21/May)	322.80 (02/May)	312.80 (09/May)	323.45 (30/Apr)	308.70 (04/Apr)	340.30 (29/Jan)	302.10 (09/Feb)

### ANALYSIS & RECOMMENDATION

RESISTANCE	232.45	High Apr 30, 2018
	322.80	High May 02, 2018
	320.15	High May 04, 2018
	319.30	High May 08, 2018
SUPPORT	317.10	Low on 1 Hourly Chart
	315.85	High May 23, 2018
	314.90	Low Apr 24, 2018
	313.85	Low Apr 13, 2018
RECOMMENDATION	BUY	----
	SELL	318.60
	STOP LOSS	320.10
	TARGET	315.60

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## HSIK8 (Hang Seng May Futures) – Exp. Date: 30 May 2018



- Correction in daily
- RSI approach oversold area, be alert of trend change

[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
23 May	30928	30929	30522	407	30545	30545	↓ 681	2.18	205106
22 May	--	H	O	L	I	D	A	Y	--
21 May	31351	31407	31151	256	31226	31226	↑ 330	1.07	185737
18 May	30834	31077	30808	269	30896	30896	↑ 16	0.05	185581
17 May	31005	31057	30820	237	30880	30880	↓ 54	0.17	202798
16 May	30677	31085	30673	412	30934	30934	↓ 56	0.18	226146
15 May	31182	31220	30958	262	30990	30990	↓ 466	1.48	182405

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
31407	30522	31470	29644	31151	29343	33516	29070
(21/May)	(23/May)	(14/May)	(04/May)	(12/Apr)	(04/Apr)	(29/Jan)	(09/Feb)

### ANALYSIS & RECOMMENDATION

RESISTANCE	31363	High on 1 Hourly Chart
	31140	High on 1 Hourly Chart
	30950	High on 1 Hourly Chart
	30865	High on 1 Hourly Chart
SUPPORT	30296	Low May 10,2018
	30022	Low May 09,2018
	29901	Low May 03,2018
	29752	Low Apr 09,2018
RECOMMENDATION	BUY	30630
	SELL	----
	STOP LOSS	30480
	TARGET	30830 30930

#### DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## CURRENCIES – Daily Outlook

### Dollar at five-month high as Fed minutes signal a hike "soon" - Reuters News



The dollar held near a more than five-month high against a basket of currencies on Wednesday, after minutes of the Federal Reserve's May policy meeting showed most policymakers thought it likely another interest rate increase would be warranted "soon" if the U.S. economic outlook remains intact.

"I didn't really see anything in the minutes that changed anything for the dollar. It still seems like there is a chance of a fourth hike in 2018," said Sireen Harajli, FX strategist at Mizuho Bank in New York.

The Fed has lifted borrowing costs once so far this year, in March, and policymakers are currently about evenly split between those who expect two more rate rises this year and those who anticipate three. While inflation is now effectively at the Fed's 2 percent target after years of undershooting that level, policymakers noted that it was premature to conclude that inflation would remain at levels around two percent.

A number of Fed policymakers, including Chairman Jerome Powell, have been keen to stress they will tolerate inflation rising above the Fed's goal for a time without undue concern.

"You really have to say it is a dovish view to allow inflation to go a little bit above the target for some period of time," said Mike Baele, managing director, U.S. Bank Private Client Wealth Management, in Portland, Oregon.

The dollar index, which measures the greenback against a basket of six other currencies, hit a high of 94.188 before the release of the minutes, but pared some gains to trade up 0.42 percent at 94.006.

The greenback rose against the euro after data indicating a slowdown in European business activity hurt the common currency.

The euro was down 0.69 percent against the greenback at \$1.1697, its weakest since mid November.

Worries about an incoming coalition Italian government comprised of the two anti-establishment parties and concerns about Turkey heading for an economic crisis kept the euro on the defensive.

The lira plunged to a record low against the dollar before reversing course to trade more than 2 percent higher after the Turkish central bank raised interest rates by 300 basis points in an emergency move.

Against the Japanese yen, the dollar slipped 0.72 percent, on pace for its worst day since late March, a day after U.S. President Donald Trump tempered optimism over progress made in trade talks with China.

The yen tends to rise in times of market turbulence since Japan is the world's largest creditor nation and traders tend to assume Japanese investors would repatriate funds at times of crisis.

Meanwhile, sterling fell to a 2018 low after weaker-than-expected UK inflation cast doubt on whether the Bank of England will raise interest rates this year. [\(Source Reuters, Research – @her1en\)](#)

#### DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## EUR/USD

Interest Rate: 0.00% (EU)/ 1.25%-1.50% (US)



- With the support area at 1.1477
  - Important resistance around 1.2032
  - Be alert of the RSI area of 14 entering the oversold area
- [\[Research – @her1en\]](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 23	1.17771	1.17884	1.16747	113,7	1.16945	↓ 84,4	1.17789
May 22	1.17923	1.18286	1.17554	73,2	1.17789	↓ 9,7	1.17886
May 21	1.17653	1.17944	1.17154	79,0	1.17886	↑ 24,2	1.17644
May 18	1.17937	1.18209	1.17486	72,3	1.17644	↓ 28,8	1.17932
May 17	1.18104	1.18363	1.17752	61,1	1.17932	↓ 12,8	1.18060

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.18286 (22/May)	1.16747 (23/May)	1.20829 (01/May)	1.16747 (23/May)	1.24125 (17/Apr)	1.20542 (27/Apr)	1.25542 (16/Feb)	1.16747 (23/May)

### ANALYSIS & RECOMMENDATION

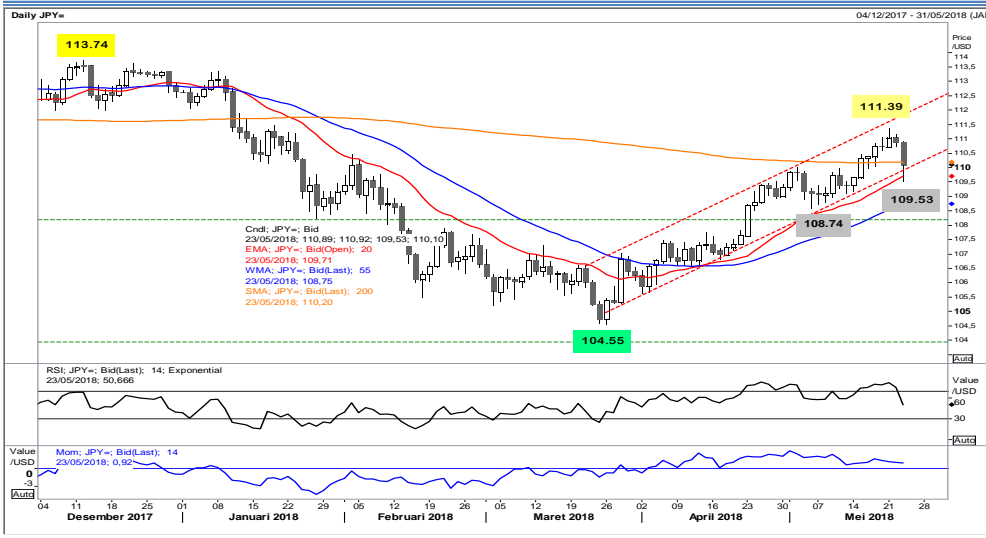
RESISTANCE	1.2139	High Apr 30
	1.2032	High May 02
	1.1938	High May 15
	1.1854	High May 16
SUPPORT	1.1658	Low Nov 14, 2017
	1.1552	Low Nov 07, 2017
	1.1477	Low July 20, 2017
	1.1369	Low July 13, 2017
RECOMMENDATION	BUY	1.1680
	SELL	-----
	STOP LOSS	1.1605
	TARGET	1.1755 1.1790

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## USD/JPY

Interest Rate: 1.50%-1.75% (US)/-0.1% (JP)



- The main resistance at 111.87, support 107.62
- RSI 14 daily rises ([Research – rizal](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 23	110.894	110.907	109.545	136,2	110.052	↓ 82,3	110.875
May 22	111.016	111.173	110.784	38,9	110.875	↓ 12,7	111.002
May 21	110.855	111.384	110.829	55,5	111.002	↑ 29,2	110.710
May 18	110.769	111.069	110.598	47,1	110.710	↓ 3,2	110.742
May 17	110.274	110.846	110.061	78,5	110.742	↑ 33,2	110.410

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
111.384	109.545	111.384	108.635	109.525	105.646	113.376	104.623
(21/May)	(23/May)	(21/May)	(04/May)	(27/Apr)	(02/Apr)	(08/Jan)	(23/Mar)

### ANALYSIS & RECOMMENDATION

RESISTANCE	113.38	High Jan 08,2018
	112.77	High Jan 10,2018
	111.87	High Jan 11,2018
	110.92	High May 23,2018
SUPPORT	109.57	Low May 02,2018
	108.78	Low Apr 25, 2018
	107.62	Low Apr 23, 2018
	106.85	Low Apr 17, 2018
RECOMMENDATION	BUY	----
	SELL	110.10
	STOP LOSS	111.00
	TARGET	109.10 108.80

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## GBP/USD

Interest Rate: 0.50% (GB)/1.50%-1.75% (US)



- Corrections occur daily
- RSI 14 is in overbought area
- Be aware of trend changes

[\(Research -rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 23	1.34318	1.34412	1.33042	137,0	1.33368	↓ 93,6	1.34304
May 22	1.34298	1.34906	1.34114	79,2	1.34304	↑ 7,1	1.34233
May 21	1.34739	1.34774	1.33897	87,7	1.34233	↓ 52,1	1.34754
May 18	1.35139	1.35268	1.34537	73,1	1.34754	↓ 38,3	1.35137
May 17	1.35121	1.35682	1.34732	95,0	1.35137	↑ 31,2	1.34825

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.34906	1.33042	1.37717	1.33042	1.43754	1.37113	1.43754	1.33042
(22/May)	(23/May)	(01/May)	(23/May)	(17/Apr)	(30/Apr)	(17/Apr)	(23/May)

### ANALYSIS & RECOMMENDATION

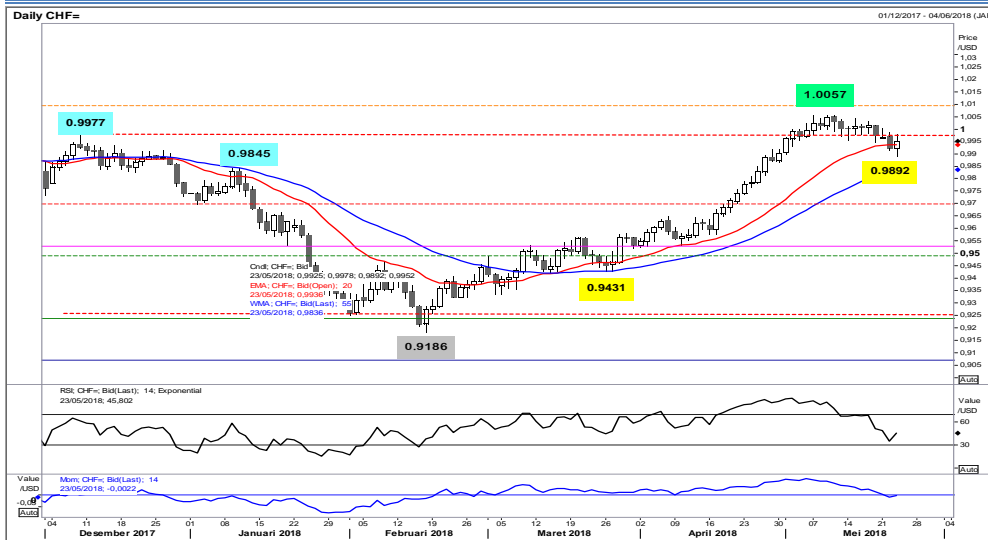
RESISTANCE	1.3773	High May 01,2018
	1.3666	High May 02,2018
	1.3595	High May 11,2018
	1.3483	High May 21,2018
SUPPORT	1.3219	Low Nov 28, 2017
	1.3133	Low Nov 16, 2017
	1.3060	Reactions Low Nov 13, 2017
	1.2907	Low Sept 05,2017
RECOMMENDATION	BUY	----
	SELL	1.3375
	STOP LOSS	1.3465
	TARGET	1.3275
		1.3225

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## USD/CHF

Interest Rate: 1.50%-1.75% (US)/-1.25 to -0.25% (CH)



- Daily RSI approach overbought area
- Main resistance 1.0170, support 0.9784

[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 23	0.99247	0.99771	0.98929	84,2	0.99541	↑ 29,1	0.99250
May 22	0.99668	0.99892	0.99168	72,4	0.99250	↓ 42,4	0.99674
May 21	0.99770	1.00004	0.99689	31,5	0.99674	↓ 9,4	0.99768
May 18	1.00113	1.00171	0.99491	68,0	0.99768	↓ 34,1	1.00109
May 17	1.00036	1.00320	0.99856	46,4	1.00109	↑ 1,7	1.00092

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.00004	0.98929	1.00553	0.98929	0.99199	0.95258	1.00553	0.91863
(21/May)	(23/May)	(07/May)	(23/May)	(30/Apr)	(02/Apr)	(07/May)	(16/Feb)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.0170	High Mar 07,2017
	1.0107	High Apr 10,2017
	1.0056	High May 07,2018
	0.9990	High May 22,2018
SUPPORT	0.9869	Low Apr 30,2018
	0.9815	Low Apr 26,2018
	0.9766	Low Apr 24,2018
	0.9665	Low Apr 19,2018
RECOMMENDATION	BUY	0.9930
	SELL	----
	STOP LOSS	0.9845
	TARGET	1.0020
		1.0050

#### DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report





## AUD/USD

Interest Rate: 1.5% (AU)/ 1.25%-1.50% (US)



- RSI 14 is up
- The main resistance at 0.7731, support 0.7266  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 23	0.75740	0.75815	0.75215	60,0	0.75561	↓ 18,2	0.75743
May 22	0.75839	0.76041	0.75649	39,2	0.75743	↓ 3,8	0.75781
May 21	0.75219	0.75853	0.75017	83,6	0.75781	↑ 70,6	0.75075
May 18	0.75093	0.75269	0.74873	39,6	0.75075	↑ 2	0.75073
May 17	0.75163	0.75464	0.74964	50,0	0.75073	↓ 4,9	0.75122

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.76041 (22/May)	0.75017 (21/May)	0.76041 (22/May)	0.74112 (09/May)	0.78117 (19/Apr)	0.75241 (30/Apr)	0.81346 (26/Jan)	0.74112 (09/May)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.7812	High Apr 19
	0.7731	High Apr 20
	0.7682	High Apr 23
	0.7620	High Apr 24
SUPPORT	0.7410	Low June 05, 2017
	0.7326	Low May 09, 2017
	0.7266	Low Jan 05, 2017
	0.7152	Low Dec 26, 2016
ECOMMENDATION	BUY	-----
	SELL	0.7580
	STOP LOSS	0.7655
	TARGET	0.7505 0.7470

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## NZD/USD

Interest Rate: 1.75% (NZ)/1.25%-1.50% (US)



- Correction in daily movement
  - RSI 14 is down
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 23	0.69368	0.69437	0.68832	60,5	0.69158	↓ 13,2	0.69290
May 22	0.69492	0.69733	0.69192	54,1	0.69290	↓ 14,6	0.69436
May 21	0.69090	0.69488	0.68829	65,9	0.69436	↑ 28,2	0.69154
May 18	0.68764	0.69167	0.68719	44,8	0.69154	↑ 41,4	0.68740
May 17	0.69008	0.69364	0.68714	65,0	0.68740	↓ 17,7	0.68917

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.69733	0.68829	0.70516	0.68500	0.73943	0.70321	0.74359	0.68500
(22/May)	(21/May)	(04/May)	(16/May)	(13/Apr)	(30/Apr)	(16/Feb)	(16/May)

### ANALYSIS & RECOMMENDATION

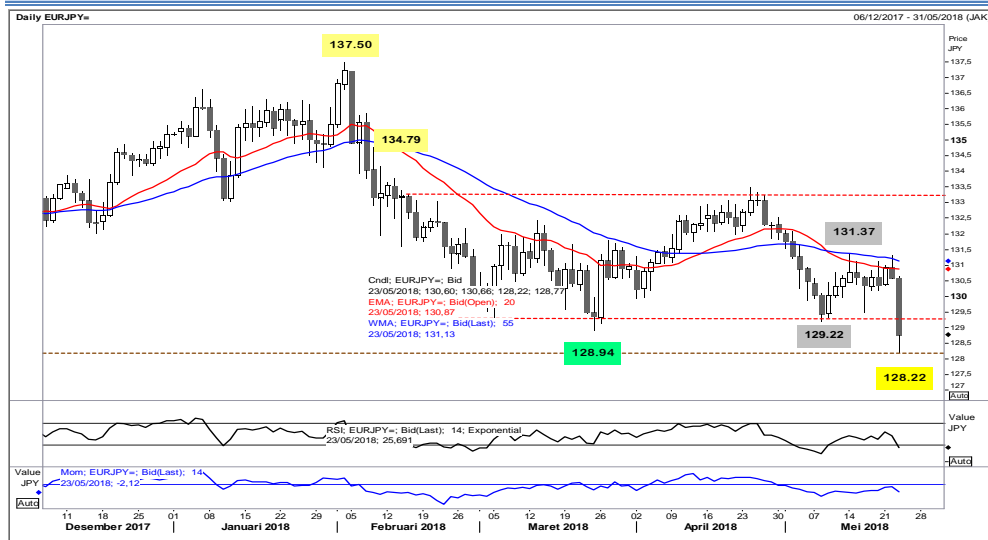
RESISTANCE	0.7221	High Apr 23
	0.7121	High Apr 25
	0.7040	High May 01
	0.6974	High May 14
SUPPORT	0.6815	Low Dec 01, 2017
	0.6779	Low Nov 17, 2017
	0.6674	Low May 30, 2016
	0.6574	Low Mar 16, 2016
RECOMMENDATION	BUY	-----
	SELL	0.6940
	STOP LOSS	0.7015
	TARGET	0.6865
		0.6830

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## EUR/JPY

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



- RSI 14 is up
- Important resistance at 131.65, support at 124.72

[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 23	130.614	130.633	128.215	241,8	128.717	↓189,0	130.607
May 22	130.925	131.330	130.582	74,8	130.607	↓26,5	130.872
May 21	130.437	130.986	130.358	62,8	130.872	↑61,8	130.254
May 18	130.653	131.107	130.222	88,5	130.254	↓36,8	130.622
May 17	130.253	130.830	130.240	59,0	130.622	↑29,6	130.326

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
131.330	128.215	132.117	128.215	133.466	129.962	137.486	128.215
(22/May)	(23/May)	(01/May)	(23/May)	(24/Apr)	(02/Apr)	(02/Feb)	(23/May)

### ANALYSIS & RECOMMENDATION

RESISTANCE	131.65	High May 03,2018
	131.13	High May 15,2018
	130.66	High May 23,2018
	129.78	High on 1 Hourly Chart
SUPPORT	127.82	Low Aug 21,2017
	126.47	Low Jun 28,2017
	124.72	Low Jun 27,2017
	123.99	Low Jun 23,2017
RECOMMENDATION	BUY	----
	SELL	128.85
	STOP LOSS	129.85
	TARGET	127.75
		127.35

#### DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

AUD/USD 0.7683  
+0.24% 0.0001  
USD/CAD 1.2879  
-0.0011 0.0001  
0.9707  
0.9649

## USD/CAD

Interest Rate: 1.50%-1.75% (US)/1.25% (CA)



- RSI 14 daily rises
  - Beware of daily corrections
  - Main Resistance 1.3127, Support 1.2445
- [\(Research – rizal\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2879</b>	<b>1.2840</b>

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2915	1.2738	1.2997	1.2725	1.2943	1.2522	1.3124	1.2246
(23/May)	(22/May)	(08/May)	(11/May)	(02/Apr)	(17/Apr)	(19/Mar)	(31/Jan)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.3127	High Mar 19,2018
	1.3079	High Mar 21,2018
	1.2974	High May 09,2018
	1.2876	High May 16,2018
<b>SUPPORT</b>	1.2745	Low Apr 23,2018
	1.2628	Low Apr 20,2018
	1.2543	Low Apr 18,2018
	1.2445	Low Feb 16,2018
<b>RECOMMENDATION</b>	BUY	1.2820
	SELL	----
	STOP LOSS	1.2740
	TARGET	1.2910 – 1.2940

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

Precious Metal – *Daily Outlook***Gold rises as dollar backs off highs after Fed meeting minutes - Reuters News**

Gold prices rose on Wednesday as the U.S. dollar backed off its highs against a basket of currencies while investors interpreted minutes from the U.S. Federal Reserve's latest policy meeting as dovish.

Most Federal Reserve policymakers thought it likely another interest rate increase would be warranted "soon" if the U.S. economic outlook remains intact, minutes of the central bank's last policy meeting showed.

Higher interest rates make non interest-bearing assets like gold less attractive.

However sentiment was dovish, said Bob Haberkorn, senior market strategist at RJO Futures. "They're

backing off the inflation target at 2 percent. Just them saying that signals that [the Fed is] dovish on rates and it doesn't sound very aggressive. That should be supportive for metals."

Policymakers once again debated the inflation path. Several noted that recent wage data provided "little evidence" of overheating in the labor market, while some others saw a risk that "supply constraints would intensify upward wage and price pressures, or that financial imbalances could emerge."

Spot gold gained 0.3 percent at \$1,294.19 per ounce by 2:35 p.m. EDT (1835 GMT), after touching its highest since May 15 at \$1,297.84. U.S. gold futures for June delivery settled down \$2.40, or 0.2 percent, at \$1,289.60 per ounce.

The dollar, in which gold and other commodities are priced, rose versus a basket of currencies but came off its highs.

Often used to store wealth in times of political or economic uncertainty, gold was underpinned by safe-haven support after U.S. President Donald Trump said he was not pleased about recent talks with China.

Gold also saw some safe-haven support after President Sergio Mattarella gave political novice Giuseppe Conte a mandate to lead the first government in Italy made up of anti-establishment parties that have vowed to shake up the European Union, Haberkorn added.

Trump also cited a "substantial chance" his summit with North Korean leader Kim Jong Un will not take place as planned on June 12 amid concerns that Kim is resistant to giving up his nuclear weapons.

Gold has shown reduced volatility in the last few trading sessions as it attempted a break above \$1,300 and prices are "waiting for a new, clear direction," said ActivTrades chief analyst Carlo Alberto De Casa.

Silver fell 0.4 percent at \$16.45 an ounce and platinum was 0.2 percent lower at \$904.30 an ounce.

Palladium eased 1.2 percent to \$979.10 an ounce.

*(Source Reuters, Research – @her1en)*

## DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## GOLD (XAU/USD)



- Important resistance around 1355
- Important support area around 1249

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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
May 23	1291.150	1298.490	1287.970	10.52	1293.440	↑ 2.07	1291.370	--	--
May 22	1293.020	1296.240	1287.980	8.26	1291.370	↓ 1.32	1292.690	--	--
May 21	1290.880	1293.150	1282.150	11.00	1292.690	↑ 0.77	1291.920	--	--
May 18	1290.610	1294.240	1286.120	8.12	1291.920	↑ 1.03	1290.890	--	--
May 17	1290.890	1294.410	1285.160	9.25	1290.890	↑ 0.12	1290.770	--	--

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1298.490	1282.150	1325.830	1282.150	1364.980	1310.240	1365.910	1282.150
(23/May)	(21/May)	(11/May)	(21/May)	(11/Apr)	(30/Apr)	(25/Jan)	(21/May)

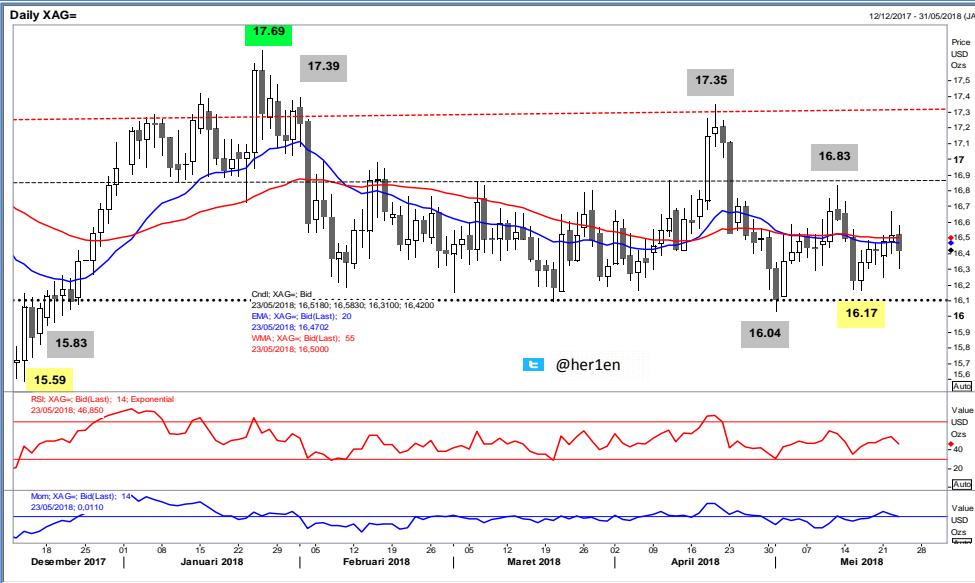
### ANALYSIS & RECOMMENDATION

RESISTANCE	1355.74	High Apr 18
	1335.38	High Apr 23
	1314.84	High May 15
	1296.87	High May 16
SUPPORT	1281.06	Low Dec 27, 2017
	1264.70	Low Dec 22, 2017
	1249.85	Low Dec 14, 2017
	1235.92	Low Dec 12, 2017
RECOMMENDATION	BUY	1291.00
	SELL	-----
	STOP LOSS	1281.00
	TARGET	1301.00
		1306.00

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## SILVER (XAG/USD)



- With strong resistance at 17.35
  - While the crucial support area is around 15.74
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 23	16.525	16.567	16.303	0.26	16.436	↓ 0.09	16.526
May 22	16.499	16.652	16.433	0.22	16.526	↑ 0.03	16.494
May 21	16.427	16.504	16.254	0.25	16.494	↑ 0.08	16.417
May 18	16.411	16.452	16.346	0.11	16.417	↑ 0.01	16.410
May 17	16.354	16.474	16.310	0.16	16.410	↑ 0.05	16.364

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.652	16.254	16.815	16.149	17.336	16.169	17.682	16.105
(22/May)	(21/May)	(11/May)	(02/May)	(19/Apr)	(05/Apr)	(25/Jan)	(20/Mar)

### ANALYSIS & RECOMMENDATION

RESISTANCE	17.48	High Jan 29
	17.35	High Apr 19
	17.11	High Apr 23
	16.67	High May 22
SUPPORT	16.25	Low May 21
	15.97	Low Dec 19, 2017
	15.74	Low Dec 14, 2017
ECOMMENDATION	BUY	16.40
	SELL	-----
	STOP LOSS	16.05
	TARGET	16.70
		16.95

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

## OIL – Daily Outlook

### Oil falls on shock U.S. stock builds, OPEC supply worries - Reuters News



Oil benchmarks fell on Wednesday after an unexpected build in U.S. crude and gasoline inventories despite strong demand, and as traders weighed a possible increase in OPEC crude output to cover any shortfalls in supply from Iran and Venezuela.

U.S. crude inventories rose 5.8 million barrels last week, while gasoline stocks increased by 1.9 million barrels, the Energy Information Administration said.

"Normally, you don't see builds at this time of year. With Memorial Day Weekend and summer driving season coming up, we were expecting a draw. And getting a build - and

such a large build, was surprising," said Tariq Zahir, managing member at Tyche Capital Advisors.

Brent crude futures slipped 23 cents to settle at \$79.80 a barrel, while U.S. crude lost 36 cents to \$71.84 a barrel.

"A 5.8 million-barrel build is kind of like a slap in the face, where it's like, 'Where did this oil come from?' And as you look through the numbers, it doesn't make a lot of sense," said Phil Flynn, analyst at Price Futures Group in Chicago. "It is definitely a shock to the system."

The increase in U.S. inventories came from a combination of reduced exports and rising imports. The latter is somewhat surprising, Flynn said, because Brent crude is trading at more than a \$7 premium to U.S. crude, making exports more attractive.

Indeed, Sinopec, Asia's largest refiner, will boost U.S. crude oil imports to an all-time high as China tries to reduce its trade deficit with the United States, two sources with knowledge of the matter said.

Oil prices have gained nearly 20 percent this year, driven primarily by coordinated supply cuts by the Organization of the Petroleum Exporting Countries (OPEC) and partners including Russia.

OPEC may decide to raise oil output as soon as June as Venezuelan output collapses, U.S. sanctions against Iran loom, and after Washington raised concerns that the oil rally was going too far, OPEC and oil industry sources familiar with the discussions told Reuters.

"It does seem like any move above \$80 attracts selling interest right now and that could potentially lead us to a period of consolidation, where I think \$77.50 or even \$75 might be in focus," Saxo Bank senior manager Ole Hansen said.

Prices have also been affected by rising geopolitical tensions that could dent global output just as demand is set to hit 100 million barrels per day in the final quarter of this year, according to the International Energy Agency. [\(Source Reuters, Research – @her1en\)](#)

#### DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report



## CLN8/USD (OIL)

(Exp.: 20 June 2018 - Reuters)



- Important resistance at 74.48, support at 69.85
  - RSI 14 is down
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 23 (CLN8)	72.09	72.24	71.18	1.06	71.82	↓ 0.28	72.10
May 22 (CLN8)	72.60	72.88	71.98	0.90	72.10	↓ 0.54	72.64
May 21 (CLN8)	71.72	72.66	71.31	1.35	72.64	↑ 1.19	71.45
May 18 (CLN8)	71.61	71.84	71.07	0.77	71.45	↓ 0.22	71.67
May 18 (CLM8)	71.58	71.73	70.99	0.74	71.37	↓ 0.20	71.57
May 17	71.54	72.28	71.10	1.18	71.57	↑ 0.05	71.52

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
72.88	71.18	72.88	66.92	69.53	61.80	72.88	58.06
(22/May)	(23/May)	(22/May)	(02/May)	(19/Apr)	(06/Apr)	(22/May)	(09/Feb)

### ANALYSIS & RECOMMENDATION

RESISTANCE	77.83	High Nov 21, 2014
	76.58	High Nov 25, 2014
	74.48	High Nov 26, 2014
	73.56	High Nov 28, 2014
SUPPORT	71.32	Low May 21
	70.42	Low May 15
	69.85	Low May 09
	67.63	Low May 08
RECOMMENDATION	BUY	-----
	SELL	72.05
	STOP LOSS	73.25
	TARGET	70.65
		70.15

**DISCLAIMER:**

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or damage which may arise directly or indirectly from any use of the report

# Daily Outlook

24-May 18

valbury   
PT. Valbury Asia Futures

valbury   
PT. Valbury Asia Futures  
Research Department



Menara Karya Building 9th Floor  
Jl. H.R Rasuna Said Block X-5 Kav. 1-2 Jakarta 12950  
Phone : +62 21 255 33 777



[www.valburyfutures.co.id](http://www.valburyfutures.co.id)



[research@valbury.com](mailto:research@valbury.com)



[@researchvaf](https://twitter.com/researchvaf)



Valbury Research  
Valbury Asia Futures

#### DISCLAIMER:

All contents of This Report have been prepared by Research Dept. of Valbury Asia Futures and are provided solely for informational purpose. We have taken reasonable measures to ensure the accuracy of the report, however, do not guarantee its accuracy and will not accept liability for any consequential loss or