

Daily Bulletin

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

Research Department

10/25/2017

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Published by RESEARCH DEPARTMENT – PT VALBURY ASIA FUTURES

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GLOBAL MARKETS & ECONOMIES

GLOBAL MARKETS

- The Dow Jones Industrial Average Index closed higher on Tuesday, driven by solid earnings from industrial companies, while the dollar index was little changed after reports of Republican senators' support for John Taylor as Federal Reserve chair.

GLOBAL ECONOMIES

- New Zealand's new government plans to review and reform the Central Bank Act to possibly include employment, alongside inflation, as a dual target, Labour Prime Minister-elect Jacinda Ardern said on Tuesday.
- China's economy will likely grow 6.8 percent in 2017, topping the state target and accelerating for the first time in seven years, a Reuters poll showed, as Beijing walks a tightrope by containing debt and property risks without stunting economic growth.
- Japanese manufacturing activity expanded in October at a slower pace than the previous month as output and new orders growth eased in a sign final demand is moderating, a preliminary gauge of activity showed on Tuesday.
- Private sector growth across the euro zone slowed more sharply than predicted this month, a survey showed on Tuesday, but activity remained strong even though firms increased prices at the steepest rate in over six years.
- Canada's Liberal government is expected to unveil a smaller budget deficit on Tuesday as well as new spending on the middle class as it seeks to shift focus from conflict of interest allegations facing Finance Minister Bill Morneau.

GLOBAL MARKETS

U.S. & Global Markets – The Dow Jones Industrial Average Index closed higher on Tuesday, driven by solid earnings from industrial companies, while the dollar index was little changed after reports of Republican senators' support for John Taylor as Federal Reserve chair.

The dollar index rose 0.01 percent, up from an earlier low, as a Bloomberg report on support for Taylor offset diminished hopes for a passage of a major tax cut.

Optimism for a tax overhaul slipped after a CNBC report, citing an aide of Senate leader Mitch McConnell, that three GOP Senators may not back the Republican tax bill.

The Bloomberg report also pushed 10-year U.S. Treasury note yields to a more than five-month high. Benchmark 10-year notes last fell 13/32 in price to yield 2.4226 percent, from 2.375 percent late on Monday.

The 30-year U.S. Treasury bond last fell 28/32 in price to yield 2.9348 percent, from 2.89 percent late on Monday.

Earnings from Caterpillar Inc and 3M helped push the Dow Industrials up 167.8 points, or 0.72 percent, to 23,441.76.

The world's largest construction and mining equipment maker, Caterpillar Inc, beat third-quarter profit and sales estimates and raised its full-year forecasts. The Peoria, Illinois company expects revenue in its construction business to surge about 20 percent and its mining business to jump 30 percent. The company's stock gained 5.0 percent.

3M, another Dow component, which makes a range of products such as autoparts and office supplies, reported upbeat results, helping its stock rise 5.9 percent.

Earnings have gotten off to a strong start, with 73 percent of 120 S&P companies beating profit expectations as of Tuesday.

The S&P 500 gained 4.15 points, or 0.16 percent, to 2,569.13 and the Nasdaq Composite added 11.60 points, or 0.18 percent, to 6,598.43.

European shares ended mixed at their close on Tuesday in anticipation of Thursday's European Central Bank meeting.

"While the ECB is widely expected to announce a reduction, the size and duration of it are still unknown, which could cause a lot of volatility on the day and determine how the euro reacts," said Craig Erlam, a senior market analyst for OANDA in London, in an email.

Although the German, French, Italian and Spanish indexes all rose, the pan-European STOXX 600 closed down 0.4 percent.

The pan-European FTSEurofirst 300 index lost 0.30 percent and MSCI's gauge of stocks across the globe gained 0.03 percent.

Apple supplier and chipmaker AMS jumped 21.8 percent after reporting third-quarter sales just under expectations. Analysts said strong fourth-quarter guidance from the iPhone supplier offset the miss. Strong profits from Spain's Caixabank also lifted the IBEX 0.4 percent after its Catalonia-related underperformance.

(Source Reuters – @her1en)

GLOBAL ECONOMIES

New Zealand – New Zealand's new government plans to review and reform the Central Bank Act to possibly include employment, alongside inflation, as a dual target, Labour Prime Minister-elect Jacinda Ardern said on Tuesday.

The populist New Zealand First, the junior partner in the new Labour-led coalition government, also wants to broaden the central bank's focus to include greater management of the local dollar's value against other currencies.

"We have been looking at changing the objectives set out in the Reserve Bank Act," Ardern told reporters in Wellington.

"The objectives of the Act to possibly include employment is certainly part of our plans."

Labour flagged the monetary policy changes during its election campaign. New Zealand First has previously mentioned it would like the central bank to better manage the currency, without elaborating.

The New Zealand dollar suffered fresh falls on Tuesday as Ardern and New Zealand First leader Winston Peters confirmed their policy priorities. The kiwi dollar shed all its early gains to push below \$0.6940, having briefly been as high as \$0.7003 at one point.

Rather than just focussing on inflation, Labour wants the Reserve Bank to have a full employment goal when devising policy settings, bringing it into line with the United States and Australia.

While unemployment in New Zealand is at near decade lows of below 5 percent, job growth was a hot political issue during the recent election.

China – China's economy will likely grow 6.8 percent in 2017, topping the state target and accelerating for the first time in seven years, a Reuters poll showed, as Beijing walks a tightrope by containing debt and property risks without stunting economic growth.

Still, growth in the world's second-largest economy is projected to slow to 6.4 percent in 2018, the Reuters poll of more than 65 economists showed,

as the property curbs and efforts to deal with debt risks are expected to gain more traction.

China's property investment and construction are seen slowing as more cities try to curb surging housing prices, while a government campaign against riskier lending pushes up borrowing costs and a crackdown on pollution hurts some factories.

Chinese economic growth in the fourth quarter of 2017 is expected to cool to 6.7 percent from a year earlier, but the full-year growth is expected at 6.8 percent, according to the poll.

In 2016, China's economic growth slowed to a 26-year low of 6.7 percent. The growth pace has inched down every year since 2011.

China's annual economic growth rate eased to 6.8 percent in July-September from 6.9 percent in the second quarter as the property sector cooled while a government campaign against riskier lending pushes up borrowing costs.

"As overall GDP growth still remains above the government's target of 'around 6.5 percent', we expect policy makers to maintain a tightening bias," analysts at Bank of America Merrill Lynch said in a note.

"Looking ahead, we expect to see weaker growth, mainly on the investment front, as the impact of tighter financial conditions start to emerge."

The forecasts for this year and in 2018 were both more optimistic than the polling results in July.

Japan – Japanese manufacturing activity expanded in October at a slower pace than the previous month as output and new orders growth eased in a sign final demand is moderating, a preliminary gauge of activity showed on Tuesday.

The Markit/Nikkei Japan Manufacturing flash Purchasing Managers Index (PMI) fell to a seasonally adjusted 52.5 in October from a final reading of 52.9 in September.

The index remained above the 50 threshold that separates expansion from contraction for the 14th consecutive month.

"Although still improving solidly, the Japanese manufacturing sector appeared to lose some momentum in October, as growth eased from September's four-month high," said Joe Hayes, Economist at IHS Markit, which compiles the survey.

"Softer expansions were seen for both output and new orders."

The output component of the PMI index fell to preliminary a 52.6 from a final 53.2 in the previous month.

The flash index for new orders also fell to 52.4 from 53.4 in September.

The index measuring companies' expectations for future output fell to an 11-month low of 57.5 from a final reading of 61.2 in September, which shows that business sentiment has weakened somewhat following relatively strong economic growth this year.

Japan's economy grew for the sixth consecutive quarter in April-June this year due to a pickup in consumer spending and capital expenditure, which is the longest streak in a decade.

Recent data has shown a slight slowdown in exports and industrial output, but economists remain optimistic that a tight labour market and rising business investment will keep growth on track.

Euro Zone – Private sector growth across the euro zone slowed more sharply than predicted this month, a survey showed on Tuesday, but activity remained strong even though firms increased prices at the steepest rate in over six years.

IHS Markit's euro zone Flash Composite Purchasing Managers' Index for October, seen as a good guide to overall economic growth, fell to 55.9 from September's 56.7, still comfortably above the 50 level that separates growth from contraction.

October's reading was below all expectations in a Reuters poll, which had forecast a more modest dip to 56.5, but was still much higher than it has averaged in recent years.

"Despite declining in October, the euro zone Composite PMI suggests that the economic recovery continued at a healthy pace at the start of Q4," said Stephen Brown at Capital Economics.

Germany's private sector posted the highest increase in new orders in 6-1/2 years in October, implying Europe's largest economy started the fourth quarter on a solid footing. France's business rebound meanwhile showed no sign of slowing as activity rose more than expected.

"Based on the German and French figures, the average PMI for Spain and Italy probably fell, perhaps because issues in Catalonia weighed on business activity in Spain," Brown said.

Catalonia's independence drive and its potential fallout has affected markets. Madrid has said it will impose direct rule on the region, which accounts for a fifth of Spain's economy.

IHS Markit said the PMI, if maintained, pointed to fourth quarter economic growth of 0.6-0.7 percent in the euro zone, faster than the 0.5 percent a recent Reuters poll predicted.

The robust growth came as firms jacked up prices. The output prices index climbed to 53.3 from 52.7, its highest since June 2011.

Inflation has stubbornly refused to reach the European Central Bank's 2 percent target ceiling but a recent Reuters poll predicted policymakers will say on Thursday they plan to start trimming monthly asset purchases in January.

A PMI covering the bloc's dominant service industry sank to 54.9 from 55.8, missing all expectations in a Reuters poll that predicted a reading of 55.6.

But suggesting firms think the slowdown won't last, they hired staff at the second fastest rate in over nine years. The employment index rose to 54.3 from 53.7 and has only been higher once -- in March -- since early 2008.

Manufacturing growth, on the other hand, accelerated. The factory PMI came in at 58.6 compared to September's 58.1, its highest since February 2011. It was forecast at 57.8 and was better than anyone polled by Reuters predicted.

An index measuring output, which feeds into the composite PMI, dipped to 58.7 from 59.2.

Indicating the momentum might continue, new orders picked up. The sub index was 58.7 compared to September's 58.5, matching a more than six-year high set in June.

"With new orders increasing and export demand picking up, the underlying detail provided enough encouragement for another robust start to the quarter," said Bert Colijn at ING.

Canada – Canada's Liberal government is expected to unveil a smaller budget deficit on Tuesday as well as new spending on the middle class as it seeks to shift focus from conflict of interest allegations facing Finance Minister Bill Morneau.

The fiscal update will show a sharp improvement in the nation's balance sheet since the March budget, as stronger economic growth boosted revenues, but is unlikely to project balanced budgets anywhere on the horizon, economists said.

"It basically boils down to the fact that the economy looks like it's going to grow by more than 3 percent this year, when they were basing their assumptions on growth of less than 2 percent back in March," said Doug Porter, chief economist at BMO Capital Markets.

In March, the government projected a budget deficit of C\$28.5 billion in the 2017-2018 fiscal year, which ends in March, up from the C\$17.8 billion shortfall the previous year. At the time, economists said their economic assumptions looked easy to beat, all but guaranteeing they could boast of an improvement later.

Prime Minister Justin Trudeau's government has been badly shaken by a conflict-of-interest controversy surrounding Morneau, but hopes the fiscal update will reset public focus on the strong economy.

The Liberals won a surprise majority in 2015 pledging to run C\$10 billion annual deficits to spur the economy, and the Bank of Canada has said the fiscal stimulus, which included a family tax credit, boosted growth in recent quarters.

The fiscal update will include a pledge to boost payments made to families under the Canada child benefit program, the Canadian Broadcasting Corp reported, citing multiple sources.

A spokesman for Finance Minister Morneau declined to confirm the report, but hinted at further spending rather than fiscal restraint, and said there will be "good news" for the middle class.

"We will not only update on how well (our policy has) been working, but giving back as well, by re-investing in the people who are creating jobs and growing the economy - the small business tax cut is a good example of that," Dan Lauzon said in an email.

Morneau, seeking to counter a backlash against a tax reform that targeted wealthy individuals and family businesses, said last week the government will cut the small business tax rate to 9 percent from 10.5 percent. [\(Source Reuters, Research - @her1en\)](#)

WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
18-Oct - 24-Oct	N/A	CN	Chinese President Xi Opens 19th Communist Party Congress					
Mon/23-Oct-17	04:00	KR	PPI YoY	Sep	-	--	3.2%	
	12:00	JP	Leading Index Cl	Aug F	107.2	--	106.8	
	12:00	JP	Coincident Index	Aug F	117.7	--	117.6	
	15:30	HK	CPI Composite YoY	Sep	-	--	1.9%	
	16:00	EZ	Govt Debt/GDP Ratio	2016	88.9%	--	89.2%	
	17:00	GB	CBI Business Optimism	Oct	-11	--	5	
	17:00	GB	CBI Trends Total Orders	Oct	-2	9	7	
	17:00	GB	CBI Trends Selling Prices	Oct	18	--	18	
	19:30	US	Chicago Fed Nat Activity Index	Sep	0.17	-0.1	-0.31	-0.37
	21:00	EZ	Consumer Confidence	Oct A	-1.0	-1.1	-1.2	
Tue/24-Oct-17	07:30	JP	Nikkei Japan PMI Mfg	Oct P	52.5	--	52.9	
	14:30	DE	Markit/BME Germany Manufacturing PMI	Oct P	60.5	60	60.6	
	14:30	DE	Markit Germany Services PMI	Oct P	55.2	55.5	55.6	
	14:30	DE	Markit/BME Germany Composite PMI	Oct P	56.9	57.5	57.7	
	15:00	EZ	ECB Bank Lending Survey					
	15:00	EZ	Markit Eurozone Manufacturing PMI	Oct P	58.6	57.8	58.1	
	15:00	EZ	Markit Eurozone Services PMI	Oct P	54.9	55.6	55.8	
	15:00	EZ	Markit Eurozone Composite PMI	Oct P	55.9	56.5	56.7	
	16:00	EZ	Euro Area Second Quarter Government Deficit					
	16:00	EZ	Euro Area Second Quarter Government Debt					
	20:45	US	Markit US Manufacturing PMI	Oct P	54.5	53.4	53.1	
	20:45	US	Markit US Services PMI	Oct P	55.9	55.1	55.3	
	20:45	US	Markit US Composite PMI	Oct P	55.7	--	54.8	
	21:00	US	Richmond Fed Manufact. Index	Oct	12	17	19	
Wed/25-Oct-17	04:00	KR	Consumer Confidence	Oct	-	--	107.7	
	07:30	AU	CPI QoQ	3Q		0.8%	0.2%	
	07:30	AU	CPI YoY	3Q		2.0%	1.9%	

	07:30	AU	CPI Trimmed Mean QoQ	3Q		0.5%	0.5%	
	07:30	AU	CPI Trimmed Mean YoY	3Q		2.0%	1.8%	
	07:30	AU	CPI Weighted Median QoQ	3Q		0.5%	0.5%	
	07:30	AU	CPI Weighted Median YoY	3Q		2.0%	1.8%	
25-Oct - 06-Nov	N/A	EZ	European Commission Economic Forecasts					
	13:00	CH	UBS Consumption Indicator	Sep		--	1.53	
	15:00	DE	IFO Business Climate	Oct		--	115.2	
	15:00	DE	IFO Expectations	Oct		--	107.4	
	15:00	DE	IFO Current Assessment	Oct		--	123.6	
	15:00	CH	Credit Suisse Survey Expectations	Oct		--	28	
	15:30	GB	GDP QoQ	3Q A		0.3%	0.3%	
	15:30	GB	GDP YoY	3Q A		1.5%	1.5%	
	15:30	GB	Index of Services MoM	Aug		--	-0.2%	
	15:30	GB	Index of Services 3M/3M	Aug		--	0.5%	
	19:30	US	Durable Goods Orders	Sep P		1.0%	2.0%	
	19:30	US	Durables Ex Transportation	Sep P		0.4%	0.5%	
	19:30	US	Cap Goods Orders Nondef Ex Air	Sep P		0.1%	1.1%	
	19:30	US	Cap Goods Ship Nondef Ex Air	Sep P		--	1.1%	
	21:00	CA	Bank of Canada Rate Decision	Oct-25		1.00%	1.00%	
	21:00	CA	Bank of Canada Releases October Monetary Policy Report					
	21:00	US	New Home Sales	Sep		550k	560k	
	21:00	US	New Home Sales MoM	Sep		-1.80%	-3.40%	
	21:30	US	DOE U.S. Crude Oil Inventories	Oct-20		--	-5731k	
	21:30	US	DOE Cushing OK Crude Inventory	Oct-20		--	202k	
	21:30	US	DOE U.S. Gasoline Inventories	Oct-20		--	908k	
	21:30	US	DOE U.S. Distillate Inventory	Oct-20		--	528k	
	22:15	CA	BOC's Poloz and Wilkins Hold Press Conference in Ottawa					
	N/A	JP	Cabinet Office Monthly Economic Report for October					
Thu/26-Oct-17	04:45	NZ	Trade Balance NZD	Sep		-1130m	-1235m	
	04:45	NZ	Exports NZD	Sep		3.92b	3.69b	
	04:45	NZ	Imports NZD	Sep		5.01b	4.92b	
	04:45	NZ	Trade Balance 12 Mth YTD NZD	Sep		-2812m	-3200m	
	06:00	KR	GDP SA QoQ	3Q P		--	0.6%	
	06:00	KR	GDP YoY	3Q P		--	2.7%	
	06:50	JP	PPI Services YoY	Sep		0.8%	0.8%	
	13:00	DE	GfK Consumer Confidence	Nov		--	10.8	
	14:45	AU	RBA's Debelle Gives Speech in Sydney					
	15:00	EZ	M3 Money Supply YoY	Sep		--	5.0%	
	15:30	HK	Exports YoY	Sep		--	7.4%	
	15:30	HK	Imports YoY	Sep		--	7.7%	
	15:30	HK	Trade Balance HKD	Sep		--	-35.5b	
	17:00	GB	CBI Retailing Reported Sales	Oct		--	42	
	17:00	GB	CBI Total Dist. Reported Sales	Oct		--	44	
	18:45	EZ	ECB Main Refinancing Rate	Oct-26		--	0.0%	
	18:45	EZ	ECB Marginal Lending Facility	Oct-26		--	0.25%	
	18:45	EZ	ECB Deposit Facility Rate	Oct-26		--	-0.4%	
	18:45	EZ	ECB Asset Purchase Target	Oct		--	EU60b	
	19:30	EZ	ECB press conference after Governing Council meeting					
26-Oct - 27-Oct	N/A	CA	CFIB Business Barometer	Oct		--	56.9	
	19:30	US	Wholesale Inventories MoM	Sep P		--	0.9%	
	19:30	US	Initial Jobless Claims	Oct-21		--	222k	
	19:30	US	Continuing Claims	Oct-14		--	1888k	
	19:30	US	Advance Goods Trade Balance	Sep		-\$64.0b	-\$62.9b	
	19:30	US	Retail Inventories MoM	Sep		--	0.7%	
	21:00	US	Pending Home Sales MoM	Sep		0.3%	-2.6%	
	21:00	US	Pending Home Sales NSA YoY	Sep		--	-3.1%	
	22:00	US	Kansas City Fed Manf. Activity	Oct		--	17	

Fri/27-Oct-17	06:30	JP	Natl CPI YoY	Sep		0.8%	0.7%	
	06:30	JP	Natl CPI Ex Fresh Food YoY	Sep		0.7%	0.7%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Sep		0.2%	0.2%	
	07:30	AU	PPI QoQ	3Q		--	0.5%	
	07:30	AU	PPI YoY	3Q		--	1.7%	
	08:30	CN	Industrial Profits YoY	Sep		--	24.0%	
27-Oct - 03-Nov	N/A	DE	Retail Sales MoM	Sep		--	-0.4%	
27-Oct - 03-Nov	N/A	DE	Retail Sales YoY	Sep		--	2.8%	
	N/A	DE	Germany Sovereign Debt to be rated by S&P					
	N/A	GB	United Kingdom Sovereign Debt to be rated by Fitch					
	15:00	EZ	ECB Survey of Professional Forecasters					
	19:30	US	GDP Annualized QoQ	3Q A		2.6%	3.1%	
	19:30	US	Personal Consumption	3Q A		--	3.3%	
	19:30	US	GDP Price Index	3Q A		1.8%	1.0%	
	19:30	US	Core PCE QoQ	3Q A		--	0.9%	
	21:00	US	U. of Mich. Sentiment	Oct F		100.8	101.1	
	21:00	US	U. of Mich. Current Conditions	Oct F		--	116.4	
	21:00	US	U. of Mich. Expectations	Oct F		--	91.3	
	21:00	US	U. of Mich. 1 Yr Inflation	Oct F		--	2.3%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Oct F		--	2.4%	
Sat/28-Oct-17	00:00	US	Baker Hughes U.S. Rig Count	Oct-27		--	913	
28-Oct - 03-Nov	N/A	GB	Nationwide House PX MoM	Oct		--	0.2%	
28-Oct - 03-Nov	N/A	GB	Nationwide House Px NSA YoY	Oct		--	2.0%	

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

ASIAN STOCK INDICATORS – *Daily Outlook*

Japan's Nikkei share average extended its record winning streak to 16 days on Tuesday, supported by buying of large-cap stocks, while Yaskawa Electric tumbled after disappointing investors with tepid profit forecasts. The Nikkei, which was down part of the day, rose 0.5 percent to end at 21,805.17. The index notched a fresh 21-year high as a victory of Prime Minister Shinzo Abe's coalition in Sunday's election continued to underpin sentiment. The dollar inched 0.1 percent higher to 113.55 yen, moving closer to a three-month high of 114.10 against the yen hit after Sunday's general election. "Hopes for a global economic recovery and U.S. shares' strength are making fund managers generous on Japanese stocks," said Chihiro Ohta, general manager of investment research at SMBC Nikko Securities. Other traders said that investors are weighing how U.S. monetary policy might change under a new Federal Reserve chair, and what new economic policies the Abe administration might introduce. U.S. President Donald Trump told reporters on Monday he was "very, very close" to a decision after interviewing five candidates for the post of Fed chair. Large cap stocks including exporters gained ground, with Toyota Motor Corp rising 0.7 percent, Murata Manufacturing surging 1.8 percent and Nintendo climbing 0.9 percent. Banking stocks attracted buying, with Mitsubishi UFJ Financial Group up 1.6 percent and Mizuho Financial Group by 1.2 percent. Yaskawa Electric Corp, one of the earliest companies to report first-half earnings, dived 3.6 percent and was the seventh most-traded stock by turnover. The electrical equipment maker raised its full-year operating profit projection to 54 billion yen (\$475.6 million) from the previously forecast 45.5 billion yen, but investors were disappointed because the new forecast did not top the market consensus. The broader Topix rose 0.7 percent to 1,756.92.

South Korean shares hit another record high on Tuesday on bullish market expectations for September quarter earnings due later this week, though further gains were blocked by foreign profit-taking. The Korea Composite Stock Price Index (KOSPI) closed at a record 2,490.49 points. Foreign investors sold a net 101.4 billion won (\$89.93 million) worth of KOSPI shares on the day, sparked by a large sell-off on Wall Street overnight. The South Korean won edged up in response to the U.S.

dollar's weakness. The won was quoted at 1,127.4 to the dollar at the conclusion of onshore trade, up 0.3 percent versus Monday's close of 1,130.2.

Hong Kong stocks fell on Tuesday amid signs of tighter liquidity, which some analysts attributed to the prospects of another U.S. rate hike by year-end. The Hang Seng index fell 0.5 percent, to 28,154.97, while the China Enterprises Index lost 0.7 percent, to 11,405.55 points. Hong Kong's 3-month interbank fixing rate spiked to the highest level in five months on Tuesday, and the one-month rate has also been rising. On the stock market, nearly all sectors fell. The consumer sector dropped 1.3 percent, while the industrial subindex lost 1 percent, making them among the worst performers.

China's blue-chip stocks reached a 26-month high on Tuesday, led by infrastructure and property shares, as investors cheered robust earnings growth and felt comfortable with economic policy as the Communist Party's congress drew to a close. About 100 Shanghai-listed companies have disclosed third-quarter earnings, with combined net profit jumping 47 percent from a year earlier, according to the official Shanghai Securities News. The blue-chip CSI300 index rose 0.7 percent, to 3,959.40 points, while the Shanghai Composite Index added 0.2 percent to 3,388.25 points. Trading in China A-shares has been generally calm during the party congress, which ends on Tuesday. President Xi Jinping presented a plan to guide China's development until 2050, ushering in a "new era" of growth. Sectors rose across the board. Gains were led by infrastructure and real estate stocks, which rallied after recent weakness on concerns Beijing may not loosen its housing market curbs any time soon. Material stocks also steadied after posting solid growth in the first nine months of the year. Fangda Special Steel Technology's added 1.9 percent, after the steelmaker's net profit more than doubled for the January-September period. [\(Source Reuters, Research: rizal\)](#)

ASIA AND GLOBAL MARKET SPOT PRICE 2017

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
RECORD HIGH	38915.87 (29/Dec/89)	329.45 (23/Oct/2017)	31958.41 (30/Oct/07)	23441.76 (24/Oct/2017)	2575.21 (20/Oct/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	21805.17 (24/Oct/2017)	329.45 (23/Oct/2017)	28711.76 (18/Oct/2017)	23441.76 (24/Oct/2017)	2575.21 (20/Oct/2017)	3391.64350 (14/Sep/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 – 24 October 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	23441.76	↑ 167.80/ 0.72%	.N225	21805.17	↑ 108.52/0.50%
/.SPX	2569.13	↑ 4.15/ 0.162%	.KS200	328.96	↓ 0.48/0.15%
/.IXIC	6598.430	↑ 11.604/ 0.18%	.HSI	28154.97	↓ 150.91/0.53%
JPY=	113.91	↑ 0.49/ 0.43%	/.SSEC	3388.24770	↑ 7.54870/0.22%
KRW=	1129.93	↑ 0.08/ 0.01%	/Clc1 (Oil)	52.53	↑ 0.67/1.29%

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



- The bullish trend, be alert of price rebound.
 - RSI is already in the overbought zone
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
24 Oct SSIpmZ7	21790	21930	21760	170	21905	---	↑ 120	0.53	26331
24 Oct SSIamZ7	21655	21815	21645	170	21785	21785	↑ 50	0.23	63376
23 Oct SSIpmZ7	21740	21835	21620	215	21645	---	↑ 90	0.41	27261
23 Oct SSIamZ7	21720	21755	21615	140	21735	21735	↑ 285	1.33	82638
20 Oct SSIpmZ7	21465	21565	21460	105	21550	---	↑ 100	0.47	25159
20 Oct SSIamZ7	21320	21500	21320	180	21450	21450	↓ 15	0.07	58265
19 Oct SSIpmZ7	21450	21450	21210	240	21320	---	↓ 145	0.68	42945
19 Oct SSIamZ7	21450	21515	21380	135	21465	21465	↑ 105	0.49	55935
18 Oct SSIpmZ7	21365	21450	21345	105	21450	---	↑ 90	0.42	20871
18 Oct SSIamZ7	21340	21415	21315	100	21360	21360	↑ 10	0.05	51477

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
21930	21615	21930	20370	20425	19085	21930	18190
(24/Oct)	(23/Oct)	(24/Oct)	(02/Oct)	(27/Sep)	(08/Sep)	(24/Oct)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	23522	Fibo Projections (423.6%)
	22808	Fibo Projections (261.8%)
	22367	Fibo Projections (161.8%)
	22095	Fibo Projections (100.0%)
SUPPORT	21620	Low 24/Oct/2017
	21460	Low 23/Oct/2017
	21345	Low 19/Oct/2017
	21230	Low 17/Oct/2017
RECOMMENDATION	BUY	21870
	SELL	----
	STOP LOSS	21770
	TARGET	21990 22020

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



- The bearish trend.
- Daily RSI is already in the overbought zone.

[\(Research – rizal\)](#)

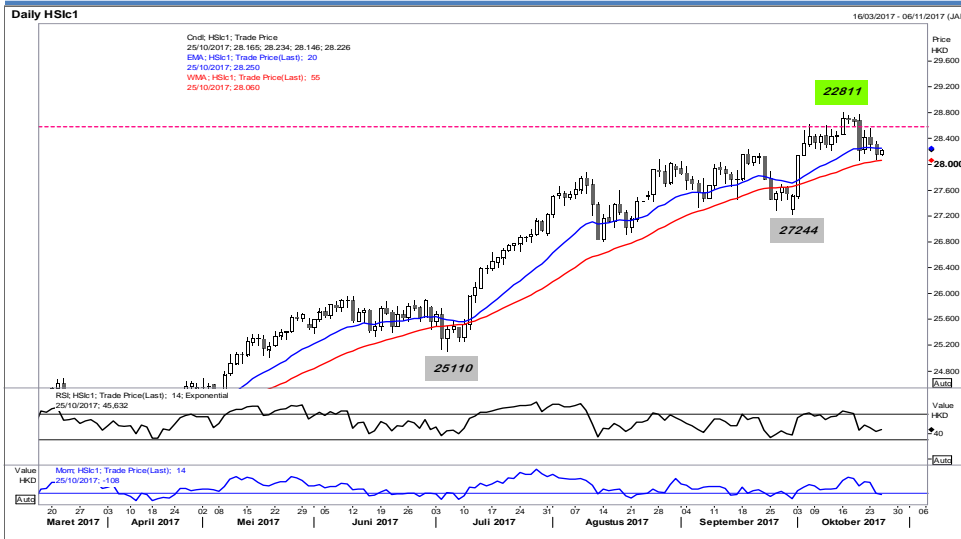
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
24 Oct	330.20	330.80	329.80	1.00	329.90	329.90	↓ 0.50	0.15	116091
23 Oct	330.55	331.10	329.25	1.85	330.40	330.40	↑ 0.80	0.24	178744
20 Oct	327.60	329.65	327.60	2.05	329.60	329.60	↑ 2.15	0.66	150556
19 Oct	330.05	330.25	327.10	3.15	327.45	327.45	↓ 1.75	0.53	172806
18 Oct	328.85	330.10	328.30	1.80	329.20	329.20	↑ 0.05	0.02	136154
17 Oct	328.90	329.85	328.70	1.15	329.15	329.15	↑ 0.30	0.09	128127

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
331.10 (23/Oct)	329.25 (23/Oct)	331.10 (23/Oct)	321.40 (10/Oct)	321.60 (20/Sep)	302.70 (06/Sep)	331.10 (23/Oct)	259.25 (02/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	337.78	Fibo Projections (261.8%)
	334.60	Fibo Projections (161.8%)
	332.63	Fibo Projections (100.0%)
	331.42	Fibo Projections (61.8%)
SUPPORT	229.25	Low 23/Oct/2017
	327.10	Low 19/Oct/2017
	326.80	Low 12/Oct/2017
	324.10	Low 11/Oct/2017
RECOMMENDATION	BUY	----
	SELL	330.25
	STOP LOSS	331.25
	TARGET	329.05 328.75

HSIV7 (Hang Seng October Futures) – Exp. Date: 30 Oct 2017



- Be alert for daily rebounds.
 - Beware of RSI approaching overbought area.
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
24 Oct	28296	28340	28072	268	28162	28162	↓ 142	0.50	143714
23 Oct	28260	28360	28251	109	28304	28304	↓ 115	0.40	111842
20 Oct	28368	28531	28346	185	28419	28419	↑ 192	0.68	125383
19 Oct	28709	28724	28057	667	28227	28227	↓ 450	1.57	154028
18 Oct	28677	28709	28639	70	28677	28677	↓ 26	0.09	70314
17 Oct	28669	28738	28643	95	28703	28703	↓ 15	0.00	78006
16 Oct	28755	28811	28662	149	28718	28718	↑ 260	0.91	97470

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
28360	28072	28811	27688	28225	27272	28811	21863
(23/Oct)	(24/Oct)	(16/Oct)	(03/Oct)	(19/Sep)	(28/Sep)	(16/Oct)	(03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	29530	High 05/Des/2007
	29248	High 10/Des/2007
	28822	High 12/Des/2007
	28623	High 06/Oct/2017
SUPPORT	28057	Low 19/Oct/2017
	27483	Low 03/Oct/2017
	27244	Low 29/Sep/2017
	26951	Low 21/Aug/2017
RECOMMENDATION	BUY	28130
	SELL	----
	STOP LOSS	28030
	TARGET	28270
		28330

CURRENCIES – Daily Outlook

U.S. dollar firm on report of support for Taylor as Fed chief - Reuters News



The dollar held firm on Tuesday against a basket of currencies as a report that John Taylor has support from a group of Republican Senators to be Federal Reserve chief offset news that might hamper the passage of a tax-cut plan.

The New Zealand dollar was the biggest mover among G10 currencies, declining to a five-month low after the incoming Labour-led coalition government said it plans to review and reform the Central Bank Act to include employment, alongside inflation, as a dual target.

Taylor, a Stanford University economist, is seen as someone who may put the Fed on a faster path of interest rate increases. He favors a rule-based approach to setting rates.

"The assumption is that he's a hawk and because of his 'Taylor Rule'," said Paresh Upadhyaya, director of currency strategy at Amundi Pioneer Investment Management in Boston.

In addition to Taylor, Trump's candidates for Fed chief include current Fed Chair Janet Yellen, whose term expires in February, as well as Fed Governor Jerome Powell, Trump's chief economic advisor Gary Cohn, and former Fed Governor Kevin Warsh.

Optimism for a tax overhaul slipped following a CNBC report citing an aide of Senate leader Mitch McConnell that three GOP Senators may not back the Republican tax bill.

The outlook for the tax bill grew dimmer after Republican Senator Jeff Flake, a critic of Trump, said he would not seek re-election in 2018. This stoked worries among traders of even less support for a tax-cut plan, analysts said.

"Flake may not go along with the vote," Upadhyaya said.

The gauge that tracks the dollar against a group of six currencies was flat at 93.934, recovering from an earlier low of 93.682.

The greenback hovered near a three-month high versus the yen, gaining 0.4 percent at 113.90 yen.

It held below a three-month peak of 114.09 in reaction to Japanese Prime Minister Shinzo Abe's ruling party win on Sunday.

The euro edged up 0.1 percent to \$1.1761 and rose 0.5 percent to 133.96 yen before Thursday's European Central Bank policy meeting.

Traders expect the ECB to signal a gradual removal of monetary stimulus as euro zone economic growth has improved.

The New Zealand dollar has lost nearly 5 percent on worries that a harder stance on immigration and foreign investment under its new government would hamper economic growth. It shed 0.9 percent to \$0.6903 after hitting its lowest since May 19. [\(Source Reuters, Research – @her1en\)](#)

EUR/USD

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



- With support area at 1.1477
- Crucial resistance around 1.2092
- Daily RSI is rise
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 24	1.17479	1.17916	1.17416	50,0	1.17598	↑ 12,5	1.17473
Oct 23	1.17610	1.17761	1.17237	52,4	1.17473	↓ 30,1	1.17774
Oct 20	1.18453	1.18567	1.17611	95,6	1.17774	↓ 73,2	1.18506
Oct 19	1.17910	1.18566	1.17669	89,7	1.18506	↑ 64,8	1.17858
Oct 18	1.17647	1.18042	1.17289	75,3	1.17858	↑ 20,6	1.17652

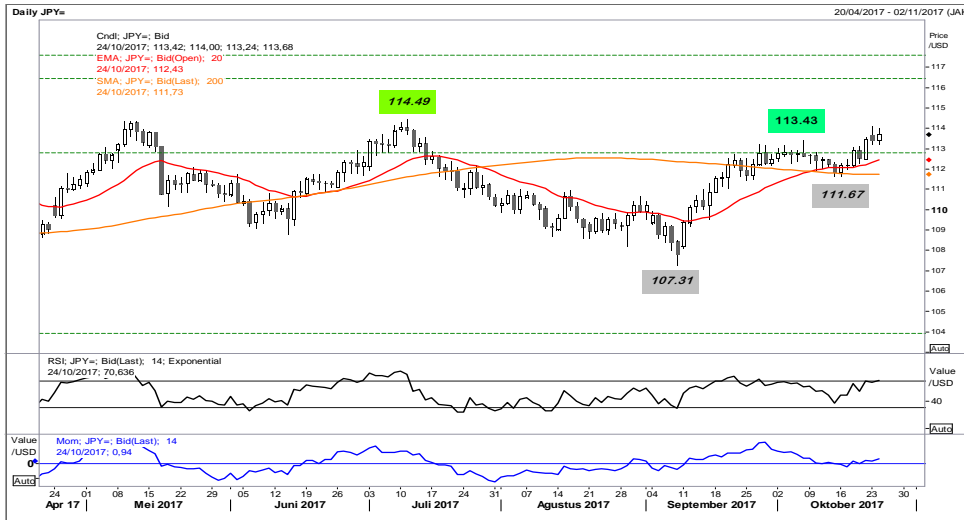
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.17916 (24/Oct)	1.17237 (23/Oct)	1.18785 (12/Oct)	1.16670 (06/Oct)	1.20915 (08/Sep)	1.17157 (27/Sep)	1.20915 (08/Sep)	1.0342 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.2092	High Sept 08
	1.2004	High Sept 22
	1.1960	High Sept 25
	1.1880	High Oct 12
SUPPORT	1.1729	Low Oct 18
	1.1667	Low Oct 06
	1.1477	Low Jul 20
	1.1369	Low Jul 13
RECOMMENDATION	BUY	1.1745
	SELL	-----
	STOP LOSS	1.1680
	TARGET	1.1815 1.1845

USD/JPY

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



- The bearish trend
 - RSI tends to be flat.
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 24	113.467	114.011	113.237	77,4	113.885	↑ 46,5	113.420
Oct 23	113.870	114.087	113.233	85,4	113.420	↓ 6,7	113.487
Oct 20	112.552	113.557	112.502	105,5	113.487	↑ 97,4	112.513
Oct 19	112.948	113.135	112.287	84,8	112.513	↓ 39,9	112.912
Oct 18	112.184	113.038	112.123	91,5	112.912	↑ 73,1	112.181

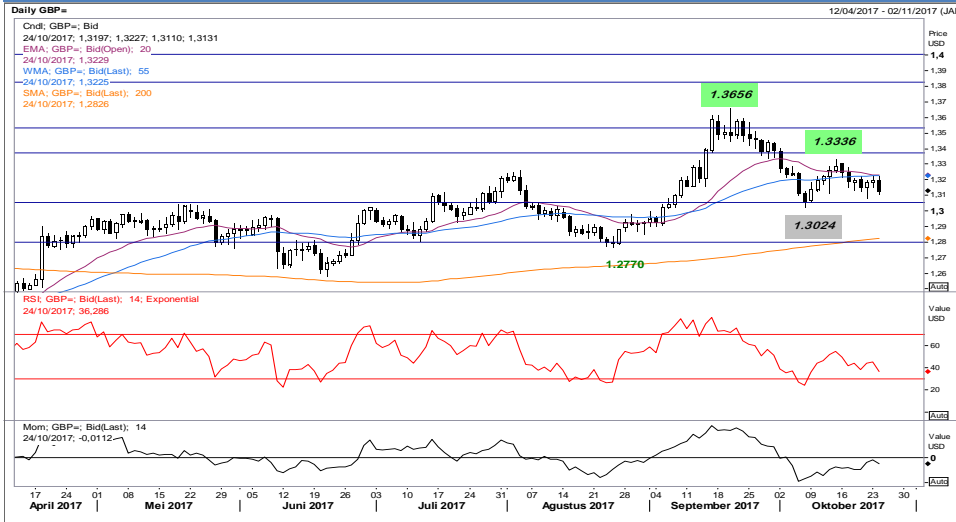
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
114.087 (23/Oct)	113.233 (23/Oct)	114.087 (23/Oct)	111.976 (10/Oct)	113.245 (27/Sep)	107.307 (08/Sep)	118.60 (03/Jan)	107.307 (08/Sep)

ANALYSIS & RECOMMENDATION

RESISTANCE	117.18	Reaction High 06/Jan/2017 (Daily)
	116.85	High 11/Jan/2017
	115.19	High 14/Mar/2017
	114.49	High 11/Jul/2017
SUPPORT	112.54	Low 06/Oct/2017
	111.46	Low 25/Sep/2017
	109.54	Low 15/Sep/2017
	107.31	Low 08/Sep/2017
RECOMMENDATION	BUY	113.60
	SELL	----
	STOP LOSS	112.90
	TARGET	114.30 114.60

GBP/USD

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



- The movement is *bullish*.
 - RSI rebounds the oversold area.
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 24	1.31959	1.32264	1.31121	114,3	1.31249	↓ 71,1	1.31960
Oct 23	1.31809	1.32259	1.31565	69,4	1.31960	↑ 4,1	1.31919
Oct 20	1.31511	1.31994	1.30865	112,9	1.31919	↑ 34,1	1.31578
Oct 19	1.32025	1.32271	1.31301	97,0	1.31578	↓ 45,5	1.32033
Oct 18	1.31883	1.32111	1.31390	72,1	1.32033	↑ 18,2	1.31851

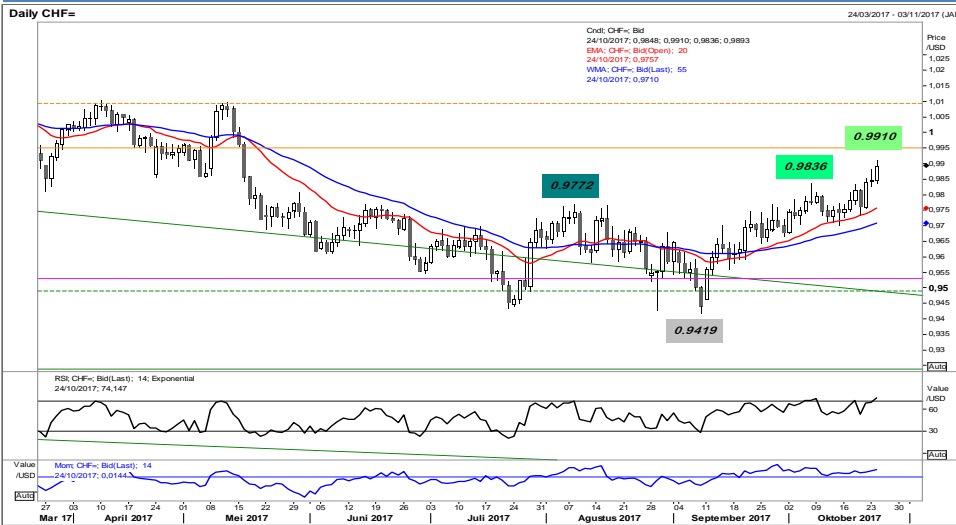
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.32264 (24/Oct)	1.31121 (24/Oct)	1.33969 (02/Oct)	1.30259 (06/Oct)	1.36565 (20/Sep)	1.29043 (01/Sep)	1.36565 (20/Sep)	1.1986 (16/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3595	High 22/Sep/2017
	1.3455	Reaction high Sept 28 (Daily)
	1.3402	High 02/Oct/2017
	1.3336	High 13/Oct/2017
SUPPORT	1.3054	Low 09/Oct/2017
	1.2907	Low 05/Sep/2017
	1.2849	Low 31/Aug/2017
	1.2770	Low 24/Aug/2017
RECOMMENDATION	BUY	----
	SELL	1.3160
	STOP LOSS	1.3260
	TARGET	1.3040 1.3010

USD/CHF

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



- The trend of RSI tends to fall.
- Be alert for daily rebounds. [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 24	0.98478	0.99103	0.98368	73,5	0.99084	↑ 60,6	0.98478
Oct 23	0.98538	0.98799	0.98299	50,0	0.98478	↑ 1,6	0.98462
Oct 20	0.97604	0.98488	0.97554	93,4	0.98462	↑ 86,5	0.97597
Oct 19	0.98043	0.98125	0.97356	76,9	0.97597	↓ 55,1	0.98148
Oct 18	0.97814	0.98353	0.97725	62,8	0.98148	↑ 32,2	0.97826

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.99103 (24/Oct)	0.98299 (23/Oct)	0.99103 (24/Oct)	0.96809 (02/Oct)	0.97686 (27/Sep)	0.94195 (08/Sep)	1.0335 (03/Jan)	0.94195 (08/Sep)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.0248	High 11/Jan/2017
	1.0170	High 07/Mar/2017
	1.0107	High 10/Apr/2017
	1.0099	High 11/May/2017
SUPPORT	0.9735	Reaction Low 19/Oct/2017 (Daily)
	0.9668	Low 29/Sep/2017
	0.9562	Low 15/Sep/2017
	0.9419	Low 08/Sep/2017
RECOMMENDATION	BUY	0.9875
	SELL	----
	STOP LOSS	0.9800
	TARGET	0.9975 1.0005

AUD/USD

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



- The series goes down the daily high level
- The main resistance at 0.8124, support 0.7567
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 24	0.78073	0.78235	0.77692	54,3	0.77742	↓ 30,2	0.78044
Oct 23	0.78120	0.78332	0.77950	38,2	0.78044	↓ 10,8	0.78152
Oct 20	0.78762	0.78809	0.78071	73,8	0.78152	↓ 62,8	0.78780
Oct 19	0.78471	0.78828	0.78398	43,0	0.78780	↑ 33,5	0.78445
Oct 18	0.78439	0.78569	0.78179	39,0	0.78445	↑ 3	0.78442

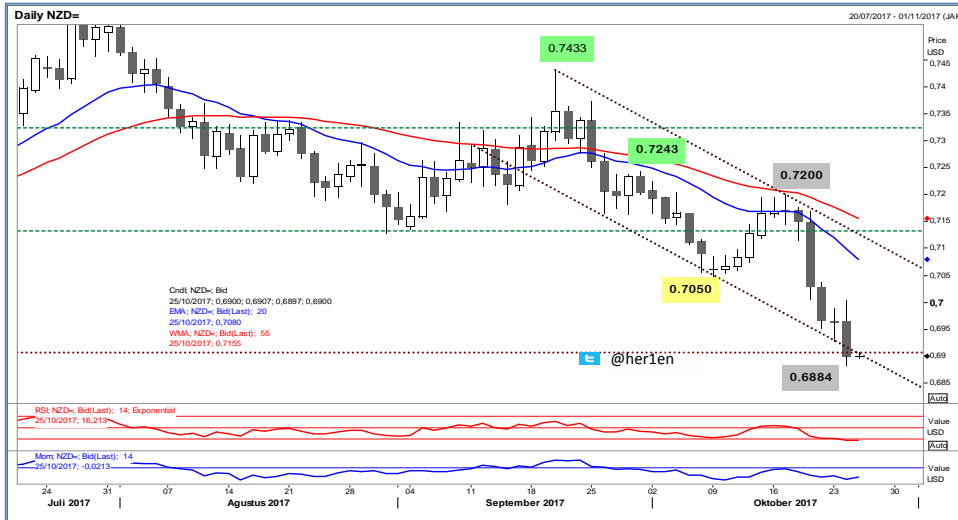
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.78332 (23/Oct)	0.77692 (24/Oct)	0.78960 (13/Oct)	0.77318 (06/Oct)	0.81239 (08/Sep)	0.77984 (28/Sep)	0.81239 (08/Sep)	0.7182 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.8124	High Sept 08
	0.8036	High Sept 21
	0.7948	High Sept 26
	0.7897	High Oct 13
SUPPORT	0.7721	Low July 14
	0.7671	Low July 13
	0.7567	Low July 05
	0.7532	Low June 22
ECOMMENDATION	BUY	-----
	SELL	0.7790
	STOP LOSS	0.7855
	TARGET	0.7720 0.7690

NZD/USD

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



- The series goes down the daily high level
- Daily RSI down, beware of entering the oversold area
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 24	0.69748	0.70029	0.68848	118,1	0.69036	↓ 60,2	0.69638
Oct 23	0.69423	0.69887	0.69301	58,6	0.69638	↓ 2,1	0.69659
Oct 20	0.70259	0.70334	0.69528	80,6	0.69659	↓ 62,6	0.70285
Oct 19	0.71563	0.71702	0.70080	162,2	0.70285	↓ 124,1	0.71526
Oct 18	0.71699	0.71771	0.71179	59,2	0.71526	↓ 17,1	0.71697

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.70029 (24/Oct)	0.68848 (24/Oct)	0.72248 (02/Oct)	0.68848 (24/Oct)	0.74323 (20/Sep)	0.71446 (01/Sep)	0.75570 (27/Jul)	0.68166 (11/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7243	High Sept 29
	0.7170	High Oct 19
	0.7036	High Oct 20
	0.7003	High Oct 24
SUPPORT	0.6816	Low May 11
	0.6756	Low June 01, 2016
	0.6674	Low May 30, 2016
RECOMMENDATION	BUY	-----
	SELL	0.6920
	STOP LOSS	0.6995
	TARGET	0.6840 0.6810

EUR/JPY

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



- RSI occurs rebound, be alert of price fluctuations.
 - The bullish trend.
- [\(Research – riza!\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 24	133.302	134.165	133.154	101,1	133.935	↑ 69,2	133.243
Oct 23	133.919	134.080	133.073	100,7	133.243	↓ 41,7	133.660
Oct 20	133.323	133.932	133.299	63,3	133.660	↑ 30,5	133.355
Oct 19	133.183	133.595	132.448	114,7	133.355	↑ 26,0	133.095
Oct 18	131.983	133.254	131.944	131,0	133.095	↑ 110,7	131.988

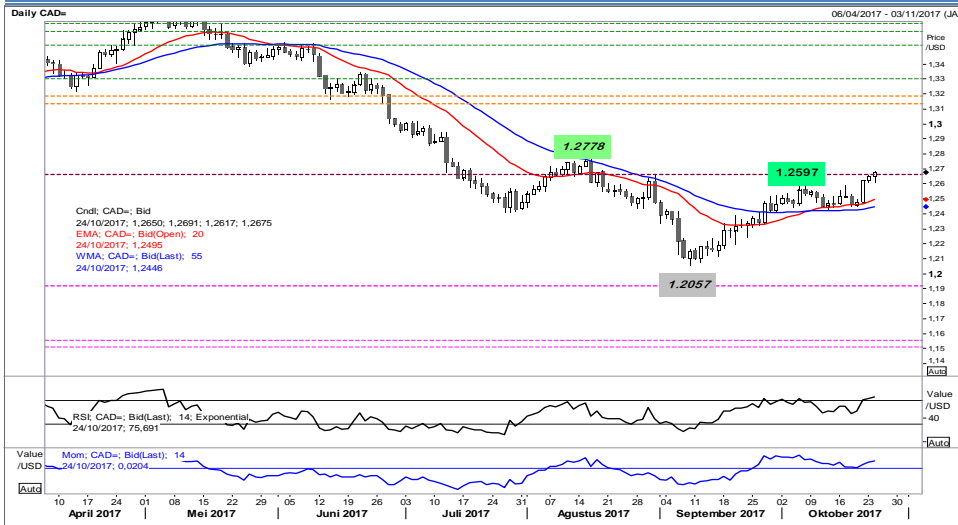
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
134.165	133.073	134.165	131.814	134.377	129.340	134.377	114.87
(24/Oct)	(16/Oct)	(24/Oct)	(05/Oct)	(22/Sep)	(06/Sep)	(22/Sep)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	139.02	High 21/Aug/2015
	138.61	High 25/Aug/2015
	137.29	High 18/Sep/2015
	136.06	High 22/Oct/2015
SUPPORT	132.48	Low 18/Sep/2017
	130.59	Low 15/Sep/2017
	129.34	Low 06/Sep/2017
	128.31	Low 22/Aug/2017
RECOMMENDATION	BUY	133.70
	SELL	----
	STOP LOSS	133.00
	TARGET	134.70 135.00

USD/CAD

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



- There was a daily rebound.
- The RSI has entered the overbought area, be alert of a rebound.

[\(Research – rizal\)](#)

WEEKLY OPEN	CURRENT PRICE
1.2622	1.2680

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2692 (24/Oct)	1.2609 (23/Oct)	1.2692 (24/Oct)	1.2444 (04/Oct)	1.2527 (29/Sep)	1.2057 (08/Sep)	1.3793 (05/May)	1.2057 (08/Sep)

ANALYSIS & RECOMMENDATION		
RESISTANCE	1.3307	Reaction High 23/Jun/2017 (Daily)
	1.3011	Reaction High 03/Jul/2017 (Daily)
	1.2943	High 11/Jul/2017
	1.2778	High 15/Aug/2017
SUPPORT	1.2412	Low 29/Sep/2017
	1.2326	Low 26/Sep/2017
	1.2251	Reaction Low 22/Sep/2017 (Daily)
	1.2198	Reaction Low 20/Sep/2017 (Daily)
RECOMMENDATION	BUY	1.2650
	SELL	----
	STOP LOSS	1.2575
	TARGET	1.2720 – 1.2750

Precious Metal – *Daily Outlook*

Gold prices dip on nerves before Fed chair decision - Reuters News



Gold prices dipped on Tuesday as investors anxiously awaited news on the next head of the U.S. Federal Reserve, while strong share markets and a calmer geopolitical environment sapped safe-haven demand.

"People are going into the equity markets and taking off their safe-haven plays," said Phillip Streible, senior market strategist at RJO Futures in Chicago.

Gold futures may remain weak until Friday's U.S. gross domestic product figures are released, he

added.

Spot gold down 0.4 percent at \$1,276.73 an ounce by 2:28 p.m. EDT (1828 GMT), after hitting its lowest since Oct. 6 at \$1,271.86 in the previous session.

U.S. gold futures for December delivery settled down \$2.60, or 0.2 percent, at \$1,278.30 per ounce.

Spot gold has shed 6 percent since touching a one-year high of \$1,357.54 on Sept. 8, largely due to a rebound in the dollar on expectations that the Fed will boost interest rates in December.

"We'll probably consolidate around \$1,275-\$1,285 until some Fed news comes out," said a Hong Kong-based trader.

U.S. President Donald Trump told reporters on Monday he was "very, very close" to making his decision on who should chair the U.S. central bank.

"If a hawkish candidate is chosen, gold futures would most likely come under renewed pressure," Streible said.

A hawkish candidate would be expected to favor higher interest rates, boosting the value of the dollar and making greenback-denominated gold more expensive for holders of other currencies.

The Fed is expected to raise rates in December and twice next year, according to a Reuters poll of economists, who now worry that the central bank will slow its tightening because of expectations that inflation will remain low.

MSCI's 47-country world share index hovered near its recent all-time highs after a drop in General Electric shares on Wall Street had seen the VIX volatility index spike up.

Silver fell 0.6 percent to \$16.94 an ounce, after hitting its lowest since Oct. 9 in the previous session.

Platinum was up 0.4 percent at \$924.40 an ounce while palladium was up 0.60 percent at \$965 per ounce.

"I think there's still belief in the market that palladium can continue to outperform," said Ole Hansen, head of commodity strategy at Saxo Bank in Copenhagen.

"If we see the (palladium-platinum) spread widen above \$50 then we could probably see another extension up towards the \$75 area."

Palladium has more than doubled in value since touching a 5-1/2-year low in January last year while platinum has gained only 15 percent in the same period.

[\(Source Reuters, Research – @her1en\)](#)

GOLD (XAU/USD)



- Resistance around 1313
 - Support area is around 1251
 - Daily RSI is down
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Oct 24	1281.510	1283.470	1273.570	9.90	1276.510	↓ 5.28	1281.790	1278.30	1276.45
Oct 23	1277.160	1283.080	1272.330	10.75	1281.790	↑ 2.41	1279.380	1275.25	1274.90
Oct 20	1289.570	1290.870	1277.800	13.07	1279.380	↓ 10.11	1289.490	1280.25	1281.20
Oct 19	1280.960	1290.070	1276.390	13.68	1289.490	↑ 8.80	1280.690	1283.40	1286.40
Oct 18	1284.800	1288.680	1276.800	11.88	1280.690	↓ 4.30	1284.990	1280.65	1280.20

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1283.470 (24/Oct)	1272.330 (23/Oct)	1305.890 (16/Oct)	1260.470 (06/Oct)	1357.380 (08/Sep)	1277.560 (28/Sep)	1357.380 (08/Sep)	1146.31 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1313.54	High Sept 26
	1296.28	High Oct 17
	1291.08	High Oct 20
	1283.66	High Oct 24
SUPPORT	1271.86	Low Oct 23
	1260.16	Low Oct 06
	1251.01	Low Aug 08
	1243.41	Low July 26
RECOMMENDATION	BUY	-----
	SELL	1278.00
	STOP LOSS	1288.00
	TARGET	1268.00 1263.00

SILVER (XAG/USD)



- With strong resistance at 17.85
 - While the crucial support area is around 16.30
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 24	17.062	17.128	16.865	0.26	16.933	↓ 0.14	17.069
Oct 23	16.975	17.094	16.842	0.25	17.069	↑ 0.07	16.999
Oct 20	17.245	17.272	16.913	0.36	16.999	↓ 0.23	17.230
Oct 19	16.987	17.273	16.898	0.38	17.230	↑ 0.25	16.982
Oct 18	17.016	17.089	16.889	0.20	16.982	↓ 0.03	17.013

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.128 (24/Oct)	16.842 (23/Oct)	17.448 (16/Oct)	16.316 (06/Oct)	18.199 (08/Sep)	16.614 (29/Sep)	18.63 (17/Apr)	14.334 (07/Jul)

ANALYSIS & RECOMMENDATION

RESISTANCE	17.85	High Sept 15
	17.62	High Sept 18
	17.46	High Oct 16
	17.26	High Oct 19
SUPPORT	16.84	Low Oct 23
	16.77	Low Oct 09
	16.30	Low Oct 06
	16.10	Low Aug 07
ECOMMENDATION	BUY	----
	SELL	17.00
	STOP LOSS	17.25
	TARGET	16.65
		16.45

OIL – Daily Outlook

Oil up 1 pct on Saudi comments, forecast of U.S. inventory drop - Reuters News



Brent oil rose 1 percent on Tuesday after top exporter Saudi Arabia said it was determined to end a supply glut, while prices also drew support from forecasts of a further drop in U.S. crude inventories as well as nervousness over tensions in Iraqi Kurdistan.

In post settlement trade, prices briefly pared gains before steadying, in response to data from industry group the American Petroleum Institute showing crude inventories built up while gasoline and diesel drew down.

The Saudi energy minister said the focus remained on reducing oil stocks in industrialised countries to their five-year average and raised the prospect of prolonged output restraint once an OPEC-led supply-cutting pact ends. The oil market has been concerned that, once the supply deal expires, producers will ramp up shipments again and cause prices to fall.

Minister Khalid al-Falih, told Reuters at an investor conference in Riyadh on Tuesday that global oil demand is expected to grow by 45 percent by 2050 despite an international push for using more renewable sources of energy.

"Expectations of increased demand continue to provide support for higher prices," said Gene McGillian, manager of market research at Tradition Energy. "There's nervousness (about Kurdistan) in the market, but I think that the production cut ... is really driving traders."

"The market continues to have an upward bias."

Brent crude, the global benchmark, settled up 96 cents or 1.7 percent to \$58.33 a barrel. U.S. crude settled up 57 cents or 1.1 percent to \$52.47.

The Organization of the Petroleum Exporting Countries (OPEC), plus Russia and nine other producers, have cut oil output by about 1.8 million barrels per day (bpd) since January. The pact runs to March 2018 and they are considering extending it.

Prices also drew support from expectations U.S. crude inventories will show a drop of 2.5 million barrels in the latest weekly supply reports, which would be the fifth straight week of declines and a sign the OPEC-led cut is working.

Preliminary data from the American Petroleum Institute (API), an industry group, said U.S. crude oil stocks rose 519,000 barrels in the week as refined products drew. U.S. gasoline margins rose to a one-month high of \$18.42 a barrel after the data was released.

The U.S. government's Energy Information Administration releases its report on Wednesday.

Oil was down earlier in the session as crude flows through Iraq's northern pipeline to Ceyhan in Turkey rose further.

Pumping along the pipeline rose to 300,000 bpd on Tuesday, a shipping source said. Output fell from 600,000 bpd last week when Iraqi forces retook control of oilfields from Kurdish fighters.

The disruption to exports from Iraq, the second-largest producer in OPEC, has supported the market and should give the group's already high compliance with the cutback agreement a boost in October.

Elections for the presidency and parliament of Iraq's Kurdistan region set for Nov. 1 have been delayed by eight months, the regional parliament announced Tuesday. [\(Source Reuters, Research – @her1en\)](#)

CLZ7/USD (OIL)
 (Exp.: 20 Nov. 2017 - Reuters)



- Daily RSI is flat
 - Correction occurs in daily movement
 - Important resistance at 54.44, support at 48.12.
- (Research – @her1en)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 24	51.87	52.59	51.54	1.05	52.52	↑ 0.68	51.84
Oct 23	52.05	52.27	51.67	0.60	51.84	↓ 0.20	52.04
Oct 20	51.56	52.05	50.86	1.19	52.04	↑ 0.47	51.57
Oct 19	52.25	52.38	51.27	1.11	51.57	↓ 0.67	52.24
Oct 18	52.15	52.54	51.91	0.63	52.24	↑ 0.08	52.16

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
52.59 (24/Oct)	51.54 (24/Oct)	52.59 (24/Oct)	49.09 (06/Oct)	52.84 (28/Sep)	46.55 (01/Sep)	55.22 (03/Jan)	42.04 (21/Jun)

ANALYSIS & RECOMMENDATION

RESISTANCE	54.94	High Feb 23
	54.44	High Mar 01
	53.99	High Apr 19
	52.86	High Sept 28
SUPPORT	51.55	Low Oct 24
	50.48	Low Oct 12
	49.54	Low Oct 10
	48.12	Low Sept 13
RECOMMENDATION	BUY	52.30
	SELL	----
	STOP LOSS	51.20
	TARGET	53.70
		54.20