

# Daily Bulletin

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

Research Department

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## GLOBAL MARKETS & ECONOMIES

### GLOBAL MARKETS

- The euro slipped on Monday after German Chancellor Angela Merkel won a fourth term but faced a fractured parliament as support for the far-right surged, while Asian shares pulled back, weighed by concerns about China's economy.
- European shares rose slightly on Monday after German Chancellor Angela Merkel secured a fourth term but saw her party weakened by a surge in support for the far-right.
- Stocks fell on Wall Street and U.S. government bond yields dropped on Monday after North Korea accused the United States of having declared war on the isolated country, while the euro fell after German elections showed support for Chancellor Angela Merkel's conservative party fell to its lowest since 1949.

### GLOBAL ECONOMIES

- The growth of China's overall leverage ratio has been clearly slowing and is now stabilising, the state planner said on Monday, days after S&P downgraded the country's sovereign debt rating.
- Bank of Japan Governor Haruhiko Kuroda said on Monday there were limits to how much central banks can deepen negative interest rates, highlighting the need to maintain the BOJ's current ultra-loose policy to continue pushing up inflation.
- The European Central Bank is growing increasingly confident that inflation will rise back to its target but patience is still needed, ECB President Mario Draghi said on Monday.
- Greece is on its way to exit its bailout programme and there will be no further conditions or restrictions after it ends apart from post-programme standard surveillance, Eurogroup Chairman Jeroen Dijsselbloem said on Monday.
- British banks have underestimated the risks from a surge in consumer borrowing and need to hold an extra 10 billion pounds of capital to guard against future dangers, the Bank of England said on Monday.

### GLOBAL MARKETS

**Asia** – The euro slipped on Monday after German Chancellor Angela Merkel won a fourth term but faced a fractured parliament as support for the far-right surged, while Asian shares pulled back, weighed by concerns about China's economy.

The New Zealand dollar also took a hit as the ruling National Party won the largest number votes in a weekend election but failed to secure a ruling majority, with a protracted period of coalition building now a possibility.

MSCI's broadest index of Asia-Pacific shares outside Japan handed back earlier modest gains and was last down 0.6 percent.

South Korea's KOSPI shed 0.3 percent while Japan's Nikkei bucked the trend and rose 0.5 percent thanks to the yen's weakening against the dollar.

Chinese stocks remained shaky after falling towards the end of last week following the Federal Reserve's hawkish policy stance and S&P's downgrade of China's sovereign rating.

**Euro Zone** – European shares rose slightly on Monday after German Chancellor Angela Merkel secured a fourth term but saw her party weakened by a surge in support for the far-right.

Investors said the likelihood of a coalition government in Europe's biggest economy dampened hopes of stronger political integration but the economic outlook remained strong.

"European stocks are set to do well in the coming 3-6 months especially if the euro pulls back against the dollar," said Andrea Cuturi, chief investment officer at Anthilia Capital. "All in all the reaction of the market is very disciplined"

The pan-European STOXX index rose 0.2 percent to its highest level in around 9 weeks, while Germany's DAX index ended flat, just below a 10-week high hit on Friday.

Merkel began the tough task of trying to build a government on Monday urging the centre-left Social Democrats not to shut the door on a re-run of their "grand coalition".

Cuturi said even though he expected Merkel to form the so-called "Jamaica coalition" with the Free Democrats and the Greens, likely

slowing European integration, he remained overweight on European stocks due to their attractive relative valuations.

European shares have been hurt this summer by worries that a rapid surge in the euro could eat into profits of export oriented companies but some investors believe the sell-off had created fresh buying opportunities.

"We are pretty constructive on European stock markets, we see pockets of value in a lot of places," said William Hamlyn, senior investment analyst at Manulife Asset Management.

"I think there is value in some of the more economically sensitive names, we like... consumers, some financials, the big oil and the miners," Hamlyn added.

The oil sector, the worst performer in Europe so far this year, rose 0.8 percent, helped by a rally in crude oil prices and further buoyed by an upgrade to Overweight at Citi.

Among top DAX gainers on Monday were Merck KGAA, Bayer and Deutsche Telekom but some car makers and utility RWE fell on expectations of environmentally friendly policies under a new government with the Greens.

The German vote results didn't appear to dampen investor enthusiasm about a possible cross-border merger between France's Alstom and Siemens, which ended up 1.3 and 0.1 percent respectively. Alstom on Friday confirmed it was in tie-up talks with the German engineering group.

But Commerzbank lost 1.8 percent in a weak banking sector after UniCredit, down 1.4 percent, said that talk about a takeover of the German bank was nonsense.

Still on the M&A front, Switzerland's ABB ended flat after agreeing to buy General Electric's Industrial solutions unit for \$2.6 billion, while consumer giant Unilever inched up 0.1 percent after a 2.3-billion-euro deal to buy cosmetics firm Carver Korea.

**U.S. & Global Markets** – Stocks fell on Wall Street and U.S. government bond yields dropped on Monday after North Korea accused the United States of having declared war on the isolated country, while the euro fell

after German elections showed support for Chancellor Angela Merkel's conservative party fell to its lowest since 1949.

Separately, Brent oil futures touched a more-than-2-year high after major producers said the crude market was on track to rebalance and Turkey threatened to cut oil flows from Iraq's Kurdistan region toward its ports.

On Wall Street, a selloff in tech stocks drove major indexes lower and equities fell further after North Korea's foreign minister said in a statement at the United Nations that U.S. President Donald Trump's tweets over the weekend were tantamount to a declaration of war.

"What is Trump going to do: Is he going to escalate or will he rein it in? Everyone's waiting with a cringe on their face," said Jason Ware, chief investment officer at Albion Financial in Salt Lake City.

"We don't want this to continue, to become a war of words, and then who knows when a mistake can happen... and there's a lot of that chatter going on on trading desks."

The White House spokeswoman said at a press briefing that the United States had not declared war on North Korea, adding that to suggest that is "absurd."

The Dow Jones Industrial Average fell 53.5 points, or 0.24 percent, to 22,296.09, the S&P 500 lost 5.56 points, or 0.22 percent, to 2,496.66 and the Nasdaq Composite dropped 56.33 points, or 0.88 percent, to 6,370.59.

The pan-European FTSEurofirst 300 index rose 0.23 percent and MSCI's gauge of stocks across the globe shed 0.39 percent.

A stronger U.S. dollar weighed on emerging market stocks, which lost 1.27 percent, the most in over four months. MSCI's broadest index of Asia-Pacific shares outside Japan closed 1.14 percent lower, while Japan's Nikkei rose 0.50 percent.

#### EURO TUMBLES, OIL CLIMBS

German Chancellor Angela Merkel began the task of trying to build a government after securing a fourth term, urging the center-left Social Democrats not to shut the door on a re-run of their "grand coalition." The emergence of the pro-regulation Greens as likely power-brokers weighed on the euro and other financial markets.

"Markets don't like uncertainty and the German election results have injected a healthy dose of (that)," said Richard Falkenhall, a strategist at SEB AB in Stockholm.

The dollar index rose 0.52 percent, with the euro down 0.89 percent to \$1.1846.

The Japanese yen strengthened 0.24 percent versus the greenback at 111.73 per dollar, while Sterling was last trading at \$1.3468, down 0.17 percent on the day.

The U.S. dollar also benefited from a New Zealand election that left the ruling National Party short of the necessary votes to rule without forming a coalition. The greenback gained 1.1 percent against the kiwi.

Brent crude touched its highest since July 2015 after major producers said the global market was on track to rebalance and Turkey said it could close a pipeline that carries oil from northern Iraq to the global market, putting more pressure on the Kurdish autonomous region over its independence referendum.

"If this boycott call proves successful, a good 500,000 fewer barrels of crude oil per day would reach the market," Commerzbank said in a note.

U.S. crude rose 2.96 percent to \$52.16 per barrel and Brent was last at \$58.63, up 3.92 percent on the day.

Safe-haven demand drove U.S. Treasury yields lower after the North Korean foreign minister's remarks at the UN. He said Pyongyang reserves the right to take countermeasures.

Benchmark 10-year notes last rose 12/32 in price to yield 2.2216 percent, from 2.262 percent late on Friday.

The 30-year bond last rose 22/32 in price to yield 2.763 percent, from 2.796 percent late on Friday. [\(Source Reuters – @ErwinRiset-@her1en\)](#)

#### GLOBAL ECONOMIES

**China** – The growth of China's overall leverage ratio has been clearly slowing and is now stabilising, the state planner said on Monday, days after S&P downgraded the country's sovereign debt rating.

China will focus on lowering leverage ratios among state-owned firms and winding down of "zombie firms" to reduce leverage ratios and control debt risks, the National Development and Reform Commission said in a statement on its website.

S&P Global Ratings cut China's credit rating last week, which followed a similar move by Moody's Investors Service in May. Both firms cited the risks from China's rapid build-up in debt and high overall debt levels as a major long-term concern.

S&P said China's attempts to reduce debt risks so far this year are not working as quickly as expected and credit growth is still too fast.

The NDRC cited the latest data from the Bank of International Settlements (BIS) which showed China's overall leverage ratio is still growing, but at a slightly slower pace.

BIS data published last week showed China's total non-financial debt was 257.8 percent of gross domestic product (GDP) at the end of the first quarter, up from 250.4 percent in the same period a year earlier, but only a slight increase from 257.0 percent at the end of 2016.

China's non-financial corporate leverage ratio declined sequentially for the third straight quarter to 165.3 percent in the first quarter, the BIS data showed.

The BIS warned last September that China's excessive credit growth was signalling a banking crisis in the next three years, while the International Monetary Fund warned this year that China's credit growth was on a "dangerous trajectory" and called for "decisive action".

One way the government is looking to lower leverage ratios is by converting some of the debt into equity.

The NDRC said on Monday that debt-for-equity swap deals worth 1.3 trillion yuan (\$196.46 billion) and involving 77 firms had been signed through Sept. 22, though details of many of the announced deals have been scant.

**Japan** – Bank of Japan Governor Haruhiko Kuroda said on Monday there were limits to how much central banks can deepen negative interest rates, highlighting the need to maintain the BOJ's current ultra-loose policy to continue pushing up inflation.

He also warned that North Korea posed a risk to an otherwise brightening global economic outlook, stressing that the central bank was closely monitoring the impact of escalating tensions on the Korean peninsula on markets and Japan's economy.

"Our main scenario is for global growth to accelerate moderately. But we'll continue to closely watch how developments in North Korea could affect markets and Japan's economy," Kuroda said in a meeting with business leaders in Osaka, western Japan.

"The BOJ is ready to take appropriate action as needed," he said without elaborating on specific measures.

As with other central banks, the BOJ's first line of defence against major economic and market shocks would be to offer unlimited amounts of liquidity via market operations.

Under a policy framework adopted last year, the BOJ guides short-term interest rates at minus 0.1 percent and 10-year government bond yields around zero percent.

Asked how much room central banks have left in deepening negative rates, Kuroda said none of the central banks that adopt negative rates sets their policy rate deeply in minus territory.

"It's true Europe and Japan have shown there is room to push interest rates into negative territory. But there's absolutely no room to push

policy rates into minus territory of, say, 4 or 5 percent," he told reporters after the meeting with business leaders.

Kuroda repeated that it was "premature" to unwind the BOJ's stimulus programme or debate an exit from its ultra-easy policy.

Japan's economy expanded at an annualised rate of 2.5 percent in April-June, marking the longest streak of expansion in 11 years, on robust exports and a pick-up in consumption.

But inflation has hovered around 0.5 percent, well below the BOJ's 2 percent target, as companies remain wary of raising prices for fear of scaring away cost-sensitive households.

Kuroda said it was "unrealistic" to bring up Japan's inflation target to around 3 or 4 percent, an idea floated by some U.S. academics as a way to heighten inflation expectations.

But he countered criticism that the BOJ's 2 percent target was too ambitious and called for maintaining the level, deemed a global standard, as its price goal to keep the yen's moves stable against other currencies.

"Foreign exchange rates fluctuate due to various factors in the short run. But their moves reflect inflation differentials between countries in the long run," Kuroda said.

Kuroda praised Japanese companies for making various efforts, such as streamlining operations through automation, to cope with a tightening job market that was pushing up labour costs.

But he said there were limits to how much businesses can absorb rising labour costs without increasing wages and prices.

"There appears to be some signs of change in companies' price-setting behaviour," he said.

While such changes are not broad-based yet, it could spread across Japan if the economy continues to expand and make households more accepting of price hikes, he said.

**Euro Zone** – The European Central Bank is growing increasingly confident that inflation will rise back to its target but patience is still needed, ECB President Mario Draghi said on Monday.

Draghi singled out currency volatility as a source of uncertainty which requires monitoring and argued that the economy still needed to absorb slack, requiring "ample" ECB accommodation.

"Overall, we are becoming more confident that inflation will eventually head to levels in line with our inflation aim, but we also know that a very substantial degree of monetary accommodation is still needed for the upward inflation path to materialise," Draghi told the European Parliament's committee on economic affairs.

With the euro zone economy now growing for the 17th straight quarter, the ECB is expected to reduce stimulus from next year, even if inflation will remain below the bank's near 2 percent target for years to come.

Indeed, policymakers speaking to Reuters said that the debate is now about the details of the policy shift, such as whether to keep quantitative easing open ended or whether to signal an intent to phase out bond purchases.

"We still see some uncertainties with respect to the medium-term inflation outlook," Draghi said. "Most notably, the recent volatility in the exchange rate represents a source of uncertainty which requires monitoring.

"We therefore need to be patient and persistent," he added.

Launched two and a half years ago, the ECB's 2.3 trillion euro bond purchase scheme has depressed borrowing costs and helped revive spending and growth with the bloc creating over 7 million jobs since the worst days of Europe's debt crisis.

But inflation has been unexpectedly slow to respond, leaving the ECB with a dilemma as keeping price growth just below 2 percent is its sole mandate.

It was last at 1.5 percent.

Yet much of its firepower has been exhausted and the inflation miss is at least partially outside its control, fuelling calls from policymaker to give inflation more time, accepting that lifting prices will take several years longer than initially hoped.

**Greece** – Greece is on its way to exit its bailout programme and there will be no further conditions or restrictions after it ends apart from post-programme standard surveillance, Eurogroup Chairman Jeroen Dijsselbloem said on Monday.

"There are no further conditions at the end of the programme, no further restrictions," he said after a meeting with Finance Minister Euclid Tsakalotos in Athens.

Asked about Germany's stance, a day after Angela Merkel secured a fourth term as Chancellor, he said he did not expect its position to change in Greek bailout negotiations.

**U.K.** – British banks have underestimated the risks from a surge in consumer borrowing and need to hold an extra 10 billion pounds of capital to guard against future dangers, the Bank of England said on Monday.

Unsecured consumer lending is growing at nearly 10 percent a year, far faster than incomes, and the BoE said the low rate of defaults at present had more to do with strong employment growth than prudent long-term lending.

Last month the BoE forecast the economy would slow next year, partly due to Britain's looming departure from the European Union, and earlier this month it said it was likely to start raising interest rates in the coming months.

"Lenders overall are placing too much weight on the recent performance of consumer lending in benign conditions as an indicator of underlying credit quality. As a result, they have been underestimating the losses they could incur in a downturn," the BoE said in a statement.

If there was a sharp downturn that pushed unemployment up to 9.5 percent - more than double its current rate - and caused the Bank of England to raise rates to 4 percent from a current 0.25 percent, British lenders could face 30 billion pounds in losses.

On average, 20 percent of consumer loans would need to be written off over a three-year period, compared with a 2 percent write-off rate at present, the BoE said.

Last year, the BoE only estimated a 13 percent write-off rate, based on a scenario which did not include a big increase in interest rates as well as a different make-up of lending.

Monday's warning is part of a fuller assessment of bank risks which the BoE will publish on Nov. 28. After that, it will tell banks how much extra capital they need to hold based on the individual riskiness of their lending.

For example, credit card lending has an expected write-off rate of 25 percent in a crisis, while car finance would only see a 10 percent loss, even if second-hand car prices fall as well.

The extra 10 billion pounds is small in the context of the 280 billion pounds of core capital held by British lenders, but the BoE said it expected banks to take the greater risks into account in their future lending plans. [\(Source Reuters, Research – @her1en\)](#)

## WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
23-Sep - 28-Sep	N/A	CA	Third Round of NAFTA Talks Begin in Ottawa					
<b>Mon/25-Sep-17</b>	07:30	JP	Nikkei Japan PMI Mfg	Sep P	52.6	53.4	52.2	
	N/A	JP	Cabinet Office Monthly Economic Report for September					
	12:00	JP	Leading Index CI	Jul F	105.2	--	105	
	12:00	JP	Coincident Index	Jul F	115.7	116.0	115.6	
	12:30	JP	BOJ Kuroda make a speech in Osaka					
	14:00	EZ	ECB Vice President Constancio speaks in Frankfurt					
	15:00	DE	Ifo Business Climate	Sep	115.2	116	115.9	
	15:00	DE	Ifo Expectations	Sep	107.4	108	107.9	107.8
	15:00	DE	Ifo Current Assessment	Sep	123.6	124.7	124.6	124.7
25-Sep - 28-Sep	N/A	DE	Import Price Index MoM	Aug		-0.1%	-0.4%	
25-Sep - 28-Sep	N/A	DE	Import Price Index YoY	Aug		2.1%	1.9%	
	16:15	EZ	ECB's Mersch Speaks at Lisbon on Risk Management					
	19:30	US	Fed's Dudley Speaks on Workforce Development					
	19:30	US	Chicago Fed Nat Activity Index	Aug	-0.31	-0.25	-0.01	0.03
	20:00	CN	Conference Board China August Leading Economic Index					
	20:00	EZ	ECB President Draghi speaks in Brussels					
	21:30	US	Dallas Fed Manf. Activity	Sep	21.3	11.5	17	
	21:45	EZ	ECB's Coeure is chairing a panel in Frankfurt					
	23:40	US	Fed's Evans Speaks on Economy and Monetary Policy					
<b>Tue/26-Sep-17</b>	04:00	KR	Consumer Confidence	Sep	-	--	109.9	
	04:15	AU	RBA's Bullock Participates in Panel in Sydney					
	04:45	NZ	Trade Balance NZD	Aug	-1235m	-825m	85m	98m
	04:45	NZ	Exports NZD	Aug	3.69b	4.05b	4.63b	
	04:45	NZ	Imports NZD	Aug	4.92b	4.80b	4.55b	4.53b
	04:45	NZ	Trade Balance 12 Mth YTD NZD	Aug	-3200m	-2910m	-3213m	-3205m
	05:30	US	Fed's Kashkari at Townhall in Grand Forks, North Dakota					
	06:50	JP	BOJ Minutes of July 19-20 Meeting					
	06:50	JP	PPI Services YoY	Aug		0.7%	0.6%	
	07:00	NZ	ANZ Activity Outlook	Sep		--	38.2	
	07:00	NZ	ANZ Business Confidence	Sep		--	18.3	
	N/A	EZ	EU Meeting on Fipronil Contamination in Eggs in Brussels					
	15:30	HK	Exports YoY	Aug		9.5%	7.3%	
	15:30	HK	Imports YoY	Aug		10.0%	5.5%	
	15:30	HK	Trade Balance HKD	Aug		-29.5b	-29.6b	
	15:30	GB	UK Finance Loans for Housing	Aug		41700	41587	
	19:00	EZ	ECB's Praet chairs speech in Frankfurt					
	20:00	US	S&P CoreLogic CS 20-City MoM SA	Jul		0.29%	0.11%	
	20:00	US	S&P CoreLogic CS 20-City YoY NSA	Jul		--	5.65%	
	20:00	US	S&P CoreLogic CS 20-City NSA Index	Jul		--	200.54	
	20:00	US	S&P CoreLogic CS US HPI YoY NSA	Jul		--	5.77%	
	20:00	US	S&P CoreLogic CS US HPI NSA Index	Jul		--	192.6	
	20:30	US	Fed's Mester Moderates Session NABE					
	21:00	US	New Home Sales	Aug		590k	571k	
	21:00	US	New Home Sales MoM	Aug		3.3%	-9.4%	
	21:00	US	Conf. Board Consumer Confidence	Sep		119.5	122.9	
	21:00	US	Conf. Board Present Situation	Sep		--	151.2	
	21:00	US	Conf. Board Expectations	Sep		--	104	
	21:00	US	Richmond Fed Manufact. Index	Sep		13	14	
	21:30	US	Fed's Brainard Speaks on Labor Market Disparities					

	23:30	US	Fed's Bostic Speaks to the Atlanta Press Club					
	23:45	US	Yellen Speaks on Inflation, Uncertainty, and Monetary Policy					
<b>Wed/27-Sep-17</b>	08:30	CN	Industrial Profits YoY	Aug		--	16.5%	
	12:00	JP	Small Business Confidence	Sep		49.4	49	
	13:00	JP	Machine Tool Orders YoY	Aug F		--	36.3%	
	13:00	CH	UBS Consumption Indicator	Aug		--	1.38	
27-Sep - 03-Oct	N/A	DE	Retail Sales MoM	Aug		0.5%	-1.2%	
27-Sep - 03-Oct	N/A	DE	Retail Sales YoY	Aug		3.3%	2.7%	
	15:00	EZ	M3 Money Supply YoY	Aug		4.6%	4.5%	
	15:00	CH	Credit Suisse Survey Expectations	Sep		--	25	
	17:00	GB	CBI Retailing Reported Sales	Sep		--	-10	
	17:00	GB	CBI Total Dist. Reported Sales	Sep		--	2	
	19:30	US	Durable Goods Orders	Aug P		0.9%	-6.8%	
	19:30	US	Durables Ex Transportation	Aug P		0.2%	0.6%	
	19:30	US	Cap Goods Orders Nondef Ex Air	Aug P		0.3%	1.0%	
	19:30	US	Cap Goods Ship Nondef Ex Air	Aug P		--	1.2%	
	21:00	US	Pending Home Sales MoM	Aug		-0.3%	-0.8%	
	21:00	US	Pending Home Sales NSA YoY	Aug		--	-0.5%	
	21:30	US	DOE U.S. Crude Oil Inventories	Sep-22		--	4591k	
	21:30	US	DOE Cushing OK Crude Inventory	Sep-22		--	703k	
	21:30	US	DOE U.S. Gasoline Inventories	Sep-22		--	-2125k	
	21:30	US	DOE U.S. Distillate Inventory	Sep-22		--	-5693k	
	21:30	US	DOE U.S. Refinery Utilization	Sep-22		--	5.5%	
	22:45	CA	Speech - Stephen S. Poloz, Governor					
	23:55	CA	Press Conference -- Bank of Canada Governor Stephen Poloz					
<b>Thu/28-Sep-17</b>	00:30	US	Fed's Bullard Speaks on Economy and Monetary Policy					
	01:00	US	Fed's Brainard Speaks at Minority Banker Forum					
	03:00	NZ	RBNZ Official Cash Rate	Sep-28		1.75%	1.75%	
	06:00	KR	CPI YoY	Sep		2.2%	2.6%	
	06:00	KR	CPI Core YoY	Sep		1.7%	1.8%	
	06:00	KR	CPI MoM	Sep		0.2%	0.6%	
	06:00	US	Fed's Rosengren to Speak to Money Marketeers in New York					
	N/A	CN	BoP Current Account Balance	2Q F		--	\$52.9b	
	13:00	DE	GfK Consumer Confidence	Oct		11	10.9	
28-Sep - 03-Oct	N/A	GB	Nationwide House PX MoM	Sep		--	-0.1%	
28-Sep - 03-Oct	N/A	GB	Nationwide House Px NSA YoY	Sep		--	2.1%	
	15:00	EZ	ECB's Praet speaks in Berlin					
	15:15	GB	Carney Speaks at BOE Independence Conference, London					
	16:00	AU	RBA's Debelle Speaks at BOE Conference, London					
	16:00	EZ	Economic Confidence	Sep		111.9	111.9	
	16:00	EZ	Business Climate Indicator	Sep		1.11	1.09	
	16:00	EZ	Industrial Confidence	Sep		5	5.1	
	16:00	EZ	Services Confidence	Sep		14.9	14.9	
	16:00	EZ	Consumer Confidence	Sep F		-1.2	-1.2	
	18:10	EZ	ECB's Lautenschlaeger speaks in Vienna					
	19:00	DE	CPI MoM	Sep P		0.1%	0.1%	
	19:00	DE	CPI YoY	Sep P		1.8%	1.8%	
	19:00	DE	CPI EU Harmonized MoM	Sep P		0.1%	0.2%	
	19:00	DE	CPI EU Harmonized YoY	Sep P		1.9%	1.8%	
	19:30	US	GDP Annualized QoQ	2Q T		3.1%	3.0%	
	19:30	US	Personal Consumption	2Q T		3.2%	3.3%	
	19:30	US	GDP Price Index	2Q T		1.0%	1.0%	
	19:30	US	Core PCE QoQ	2Q T		--	0.9%	
	19:30	US	Initial Jobless Claims	Sep-23		--	259k	
	19:30	US	Continuing Claims	Sep-16		--	1980k	
	19:30	US	Advance Goods Trade Balance	Aug		-\$65.1b	-\$65.1b	

	19:30	US	Wholesale Inventories MoM	Aug P		--	0.6%	
	19:30	US	Retail Inventories MoM	Aug		--	-0.2%	
	20:45	US	Fed's George Speaks on Economy and Monetary Policy					
	21:00	GB	Fed's Fischer at BOE Independence Conference, London					
	22:00	US	Kansas City Fed Manf. Activity	Sep		--	16	
28-Sep - 29-Sep	N/A	CA	CFIB Business Barometer	Sep		--	59.8	
<b>Fri/29-Sep-17</b>	00:30	US	Fed's Bostic to Speak about Careers in Economics					
	04:00	KR	Business Survey Manufacturing	Oct		--	83	
	04:00	KR	Business Survey Non-Manufacturing	Oct		--	78	
	04:45	NZ	Building Permits MoM	Aug		--	-0.7%	
	06:00	KR	BoP Current Account Balance	Aug		--	\$7261.3m	
	06:00	KR	BoP Goods Balance	Aug		--	\$10707m	
	06:00	KR	Industrial Production YoY	Aug		1.6%	0.1%	
	06:00	KR	Industrial Production SA MoM	Aug		--	1.9%	
	06:00	KR	Cyclical Leading Index Change	Aug		--	0.2	
	06:01	GB	GfK Consumer Confidence	Sep		--	-10	
	06:01	GB	Lloyds Business Barometer	Sep		--	17	
	06:30	JP	Jobless Rate	Aug		2.8%	2.8%	
	06:30	JP	Overall Household Spending YoY	Aug		0.9%	-0.2%	
	06:30	JP	Natl CPI YoY	Aug		0.7%	0.4%	
	06:30	JP	Natl CPI Ex Fresh Food YoY	Aug		0.7%	0.5%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Aug		0.2%	0.1%	
	06:50	JP	BOJ Summary of Opinions at Sept.20-21 Meeting					
	06:50	JP	Retail Sales MoM	Aug		-0.8%	1.1%	
	06:50	JP	Retail Trade YoY	Aug		2.5%	1.9%	
	06:50	JP	Industrial Production MoM	Aug P		1.9%	-0.8%	
	06:50	JP	Industrial Production YoY	Aug P		5.2%	4.7%	
	08:30	AU	Private Sector Credit MoM	Aug		0.5%	0.5%	
	08:30	AU	Private Sector Credit YoY	Aug		5.5%	5.3%	
	08:45	CN	Caixin China PMI Mfg	Sep		51.6	51.6	
	N/A	HK	Budget Balance HKD	Aug		--	-2.5b	
	N/A	HK	Money Supply M1 HKD YoY	Aug		--	18.4%	
	N/A	HK	Money Supply M2 HKD YoY	Aug		--	15.8%	
	N/A	HK	Money Supply M3 HKD YoY	Aug		--	15.8%	
	11:00	JP	Vehicle Production YoY	Aug		--	1.4%	
	12:00	JP	Housing Starts YoY	Aug		0.7%	-2.3%	
	12:00	JP	Annualized Housing Starts	Aug		0.968m	0.974m	
	12:00	JP	Construction Orders YoY	Aug		--	14.9%	
	14:00	CH	KOF Leading Indicator	Sep		--	104.1	
	14:55	DE	Unemployment Change (000's)	Sep		-5k	-5k	
	14:55	DE	Unemployment Claims Rate SA	Sep		5.7%	5.7%	
	15:30	GB	Current Account Balance	2Q		--	-16.9b	
	15:30	GB	Net Consumer Credit	Aug		--	1.2b	
	15:30	GB	Net Lending Sec. on Dwellings	Aug		--	3.6b	
	15:30	GB	Mortgage Approvals	Aug		--	68.7k	
	15:30	GB	Money Supply M4 MoM	Aug		--	0.5%	
	15:30	GB	M4 Money Supply YoY	Aug		--	4.4%	
	15:30	GB	M4 Ex IOFCs 3M Annualised	Aug		--	3.3%	
	15:30	GB	GDP QoQ	2Q F		--	0.3%	
	15:30	GB	GDP YoY	2Q F		--	1.7%	
	15:30	GB	Index of Services MoM	Jul		--	0.4%	
	15:30	GB	Index of Services 3M/3M	Jul		--	0.5%	
	15:30	GB	Total Business Investment QoQ	2Q F		--	0.0%	
	15:30	GB	Total Business Investment YoY	2Q F		--	0.0%	
	15:45	GB	Bank of Israel's Flug Speaks at BOE Conference, London					
	15:45	GB	South Africa's Kganyago Speaks at BOE Conference, London					
	16:00	EZ	CPI Estimate YoY	Sep		1.6%	1.5%	
	16:00	EZ	CPI Core YoY	Sep A		1.2%	1.2%	

	17:30	GB	IMF's Lagarde Speaks at BOE Conference, London					
	19:30	CA	GDP MoM	Jul		--	0.3%	
	19:30	CA	GDP YoY	Jul		--	4.3%	
	19:30	GB	BOE's Broadbent Speaks at Conference in London					
	19:30	US	Personal Income	Aug		0.3%	0.4%	
	19:30	US	Personal Spending	Aug		0.1%	0.3%	
	19:30	US	Real Personal Spending	Aug		-0.2%	0.2%	
	19:30	US	PCE Deflator MoM	Aug		0.3%	0.1%	
	19:30	US	PCE Deflator YoY	Aug		1.5%	1.4%	
	19:30	US	PCE Core MoM	Aug		0.2%	0.1%	
	19:30	US	PCE Core YoY	Aug		1.4%	1.4%	
	20:45	US	Chicago Purchasing Manager	Sep		57.5	58.9	
	21:00	US	U. of Mich. Sentiment	Sep F		95.2	95.3	
	21:00	US	U. of Mich. Current Conditions	Sep F		--	113.9	
	21:00	US	U. of Mich. Expectations	Sep F		--	83.4	
	21:00	US	U. of Mich. 1 Yr Inflation	Sep F		--	2.7%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Sep F		--	2.6%	
	21:15	EZ	ECB's Draghi, BOE's Carney in dialog in London					
	22:00	US	Fed's Harker Speaks at Fintech Event on Consumers & Banking					
<b>Sat/30-Sep-17</b>	08:00	CN	Manufacturing PMI	Sep		--	51.7	
	08:00	CN	Non-manufacturing PMI	Sep		--	53.4	
	00:00	US	Baker Hughes U.S. Rig Count	Sep-29		--	935	

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



## ASIAN STOCK INDICATORS – Daily Outlook

**Japan's Nikkei** share average rose on Monday as a weaker yen lifted exporters, while expectations of economic stimulus measures after an election next month supported overall sentiment.

As the end of Japan's fiscal first half looms on Sept. 30 for a majority of listed companies, the market was also underpinned by investors buying up stocks before they go ex-dividend on Wednesday.

The Nikkei ended up 0.5 percent at 20,397.58 after adding 1.9 percent last week and hitting a two-year high of 20,481.27 on the back of strong gains in U.S. stocks and a weakening yen, as well as election hopes.

Prime Minister Shinzo Abe is expected to announce on Monday that he will call an election next month to take advantage of his improved ratings and opposition party disarray.

Abe ordered his cabinet on Monday to compile new economic stimulus measures by year-end in a package worth around 2 trillion yen (\$17.80 billion).

A weekend survey by the Nikkei business daily showed 44 percent of voters planned to vote for Abe's Liberal Democratic Party (LDP) versus 8 percent for the main opposition Democratic Party.

The broader Topix gained 0.5 percent to 1,672.82.

**The South Korean** won ended higher on Monday, supported by receding fears over geopolitical risks in the Korean Peninsula, while the stronger dollar capped further gains.

The won was quoted at 1,131.0 to the dollar at the conclusion of onshore trade, up 0.4 percent from Friday's close of 1,136.5.

South Korean shares edged down in cautious trade before next week's long seasonal break.

The Korea Composite Stock Price Index (KOSPI) closed down 0.3 percent at 2,380.40 points.

Offshore investors sold a net 33.6 billion won (\$29.72 million) worth of KOSPI shares for the day.

**Hong Kong** stocks posted their biggest one-day loss in six weeks on Monday, with a slump in property shares hitting already fragile sentiment after the Federal Reserve's hawkish stance and Standard & Poor's downgrade of China's credit rating last week.

The Hang Seng index dropped 1.4 percent, to 27,500.34 points, while the Hong Kong China Enterprises Index lost 1.8 percent, to 10,912.46.

An index tracking mainland developers tumbled more than 8 percent, after some cities in China imposed new housing controls to hose down an overheated market.

Investor sentiment was also undermined by simmering concerns that China's beefed-up environmental protection could reduce demand, and consequently economic growth. Hong Kong has close economic and financial links with the mainland.

**China stocks** fell on Monday, as developers slumped after a new round of government curbs to rein in the heated housing market.

The blue-chip CSI300 index fell 0.5 percent, to 3,817.79 points, while the Shanghai Composite Index lost 0.3 percent to 3,341.55 points.

Property firms were the biggest drag in the market, with an index tracking major developers tumbling 5.1 percent in its worst day since early 2016.

A number of provincial capitals across China have rolled out new measures to further slow home property sales, and bear down on lingering speculators that could destabilise markets ahead of a key Communist Party congress next month.

There were also signs the authorities are stepping up their efforts to crack down on illegal lending to the sector.

Investor sentiment was also undermined by simmering concerns that China's beefed-up environmental protection could reduce demand, and consequently economic growth.

An index tracking resource shares in China fell 2 percent.

Most sectors lost ground for the day, while consumer and healthcare firms led the gains, as investors sought shelter in defensive players.

*(Source Reuters, Research: @ErwinRiset)*

### ASIA AND GLOBAL MARKET SPOT PRICE 2016

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	309.32 (29/May/2017)	31958.41 (30/Oct/07)	21169.11 (01/Mar/2017)	2400.98 (01/Mar/2017)	6124.04400 (16/Oct/07)
<b>2016 HIGH</b>	19592.90 (21/Dec/16)	264.42 (21/Dec/16)	24364.00 (09/Sep/16)	19987.63 (20/Dec/16)	2277.53 (13/Dec/16)	3538.68940 (04/Jan/16)
<b>2017 HIGH</b>	20481.27 (21/Sep/2017)	322.16 (25/Jul/2017)	28248.12 (19/Sep/2017)	22413.26 (20/Sep/2017)	2508.85 (20/Sep/2017)	3391.64350 (14/Sep/2017)
<b>2017 LOW</b>	18224.68 (17/Apr/2017)	258.64 (02/Jan/2017)	21883.82 (03/Jan/2017)	19677.94 (19/Jan/2017)	2245.13 (03/Jan/2017)	3016.53050 (11/May/2017)
<b>2016 LOW</b>	14864.01 (24/Jun/16)	222.92 (20/Jan/16)	18278.80 (12/Feb/16)	15450.56 (20/Jan/16)	1810.10 (11/Feb/16)	2638.30160 (27/Jan/16)
<b>RECORD LOW</b>	85.25 (06/Jul/50)	31.96 (16/Jun/98)	58.61 (31/Aug/67)	388.20 (17/Jan/55)	132.93 (23/Nov/82)	325.92200 (29/Jul/94)

### Closing Prices – 25 September 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	22296.09	↓ 53.50/ 0.24%	.N225	20397.58	↑ 101.13/0.50%
/.SPX	2496.66	↓ 5.56/ 0.22%	.KS200	316.40	↓ 0.31/0.10%
/.IXIC	6370.593	↓ 56.329/ 0.88%	.HSI	27500.34	↓ 380.19/1.36%
JPY=	111.72	↓ 0.25/ 0.22%	/.SSEC	3340.80910	↓ 11.72030/0.35%
KRW=	1133.79	↑ 1.66/ 0.15%	/Clc1 (Oil)	52.13	↑ 1.47/ 2.90%

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



- Crucial levels at 20200 is being tested, after a reversal hit day low at 20105
- Crucial support area at 19820  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
25 Sep SSIpmZ7	20285	20290	20105	185	20140	---	↓ 95	0.47	26140
25 Sep SSIamZ7	20245	20315	20230	85	20285	20285	↑ 115	0.57	47270
22 Sep SSIpmZ7	20160	20210	20150	60	20185	---	↑ 15	0.07	16732
22 Sep SSIamZ7	20260	20285	20120	165	20170	20170	↓ 55	0.27	71183
21 Sep SSIpmZ7	20250	20290	20185	105	20245	---	↑ 20	0.10	18051
21 Sep SSIamZ7	20295	20370	20200	170	20225	20225	↑ 90	0.45	64180
20 Sep SSIpmZ7	20135	20285	20120	165	20275	---	↑ 140	0.70	15870
20 Sep SSIamZ7	20125	20220	20125	95	20135	20135	↑ 25	0.12	47311
19 Sep SSIpmZ7	20120	20160	20075	85	20135	---	↑ 25	0.12	20330
19 Sep SSIamZ7	19970	20180	19965	215	20110	20110	↑ 165	0.83	71523

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
20315	20105	20370	19085	20100	19140	20370	18190
(25/Sep)	(25/Sep)	(21/Sep)	(08/Sep)	(02/Aug)	(29/Aug)	(21/Sep)	(17/Apr)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	20935	High Aug 11, 2015 (Reaction high)
	20680	High 18/Aug/2015 (Reaction high)
	20565	High 19/Aug/2015
	20370	High 21/Sept/2017
<b>SUPPORT</b>	20075	Reaction low (hourly)
	19915	Reaction low (hourly)
	19750	Crucial level (hourly)
	19635	Reaction low (hourly)
<b>RECOMMENDATION</b>	BUY	----
	SELL	20225
	STOP LOSS	20380
	TARGET	20085 20015

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



- Correction tests and breaks support area at 316.30, hit low at 316.20
- Important support at 309.75  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
25 Sep	317.65	317.95	316.20	1.75	317.15	317.15	↑ 0.05	0.02	154007
22 Sep	318.95	320.10	316.40	3.70	317.10	317.10	↓ 2.30	0.72	235346
21 Sep	318.70	319.85	318.35	1.50	319.40	319.40	↑ 0.25	0.08	155468
20 Sep	320.10	321.60	318.15	3.45	319.15	319.15	↓ 0.25	0.08	181751
19 Sep	319.65	320.20	319.10	1.10	319.40	319.40	↓ 0.65	0.20	125392
18 Sep	314.85	320.05	314.65	5.40	320.05	320.05	↑ 5.50	1.75	208085

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
317.95 (25/Sep)	316.20 (25/Sep)	321.60 (20/Sep)	302.70 (06/Sep)	319.45 (01/Aug)	302.30 (11/Aug)	322.75 (25/Jul)	259.25 (02/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	322.15	High 27/Jul/2017 (Reaction high)
	321.60	High 20/Sep/2017
	320.10	High 22/Sep/2017
	318.15	Pivot line (hourly)
<b>SUPPORT</b>	316.20	Low 25/Sep/2017
	314.65	Low 18/Sep/2017
	311.75	Low 15/Sep/2017
	309.75	Low 13/Sep/2017
<b>RECOMMENDATION</b>	BUY	----
	SELL	317.75
	STOP LOSS	318.50
	TARGET	316.10 315.00

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



- Consecutive lower highs pattern supports a bearish signal
  - Correction tests support area at 27350
  - Crucial resistance at 27600
  - Beware of RSI around the oversold zone
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
25 Sep	27891	27895	27463	432	27475	27475	↓ 308	1.11	186040
22 Sep	28007	28010	27771	239	27783	27784	↓ 346	1.23	110899
21 Sep	28091	28175	28035	140	28129	28129	↑ 5	0.02	96763
20 Sep	28050	28129	27994	135	28124	28124	↑ 89	0.32	83322
19 Sep	28135	28225	28014	211	28035	28035	↓ 126	0.45	109293
18 Sep	27933	28168	27904	264	28161	28161	↑ 385	1.39	102184
15 Sep	27723	27913	27457	456	27776	27776	↓ 2	0.01	153184

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
27895	27463	28225	27350	28071	26834	28225	21863
(25/Sep)	(25/Sep)	(19/Sep)	(06/Sep)	(28/Aug)	(11/Aug)	(19/Sep)	(03/Jan)

#### ANALYSIS & RECOMMENDATION

RESISTANCE	28225	High 19/Sep/2017
	28175	Reaction high (hourly)
	27904	Pivot line (hourly)
	27519	Reaction high (hourly)
SUPPORT	27350	Low 06/Sep/2017
	27130	Low 22/Aug/2017
	26924	Low 18/Aug/2017
RECOMMENDATION	26805	Low 14/Aug/2017
	BUY	----
	SELL	27440
	STOP LOSS	27540
TARGET		27250
		27105

## CURRENCIES – *Daily Outlook*

### Uncertainty, geopolitical tensions boost yen, sink euro vs dollar - Reuters News

The U.S. dollar rose against a basket of six currencies on Monday, with the euro hit by election results in Germany and investor jitters about a warning against hasty policy shifts by the European Central Bank president.

The euro fell after a weekend victory for German Chancellor Angela Merkel that was accompanied by a surge in support for the far right. Support for Merkel's conservatives unexpectedly slumped to its lowest since 1949 and the Social Democrats, partners in the outgoing coalition, said they would go into opposition.

Euro selling picked up after North Korea's foreign minister called a Twitter message by U.S. President Donald Trump over the weekend a declaration of war. Trump's tweet said the minister and North Korean leader Kim Jong Un "won't be around much longer" if they acted on their threats.

The single currency fell more than 1.1 percent against the Japanese yen and around 1 percent versus the dollar. It was the biggest one-day percentage drop against the yen since May and the largest fall against the dollar since December.

"There was a lot of euro/yen selling off the North Korea move, so that really pressured the euro (overall)," said Kathy Lien, managing director at BK Asset Management.

Lien also pointed to a speech by ECB head Mario Draghi who argued that "ample" accommodation from the central bank was still needed, because a premature and hasty move could unravel its work, as weighing on the euro.

"The market was looking for more positive comments from Mario Draghi and we didn't get that," she said. "That combined with the election uncertainty just gives investors another excuse to liquidate."

The euro was last down 0.9 percent at \$1.1846. It has been one of the best performing currencies against the greenback this year, up more than 13 percent before Monday.

The yen reversed earlier losses against the dollar after the statement from North Korea as investors piled into the safe-haven currency. The Swiss franc, also favored by investors in times of uncertainty, rose against the dollar after the statement.

The dollar was last down 0.35 percent against the yen at 111.61 yen and 0.25 percent lower against the franc at 0.9666 franc.

The dollar index was last up 0.5 percent. The euro is the dollar index's largest component, accounting for more than half of its weighting against six major currencies.

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



## EUR/USD

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



- With support area at 1.1661
- Crucial resistance around 1.2092
- Daily RSI is down  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 25	1.19213	1.19355	1.18310	104,5	1.18459	↓ 96,2	1.19421
Sep 22	1.19389	1.20035	1.19360	67,5	1.19421	↑ 2,3	1.19398
Sep 21	1.18930	1.19527	1.18647	88,0	1.19398	↑ 50,4	1.18894
Sep 20	1.19943	1.20326	1.18601	172,5	1.18894	↓ 101,7	1.19911
Sep 19	1.19504	1.20054	1.19498	55,6	1.19911	↑ 42,2	1.19489

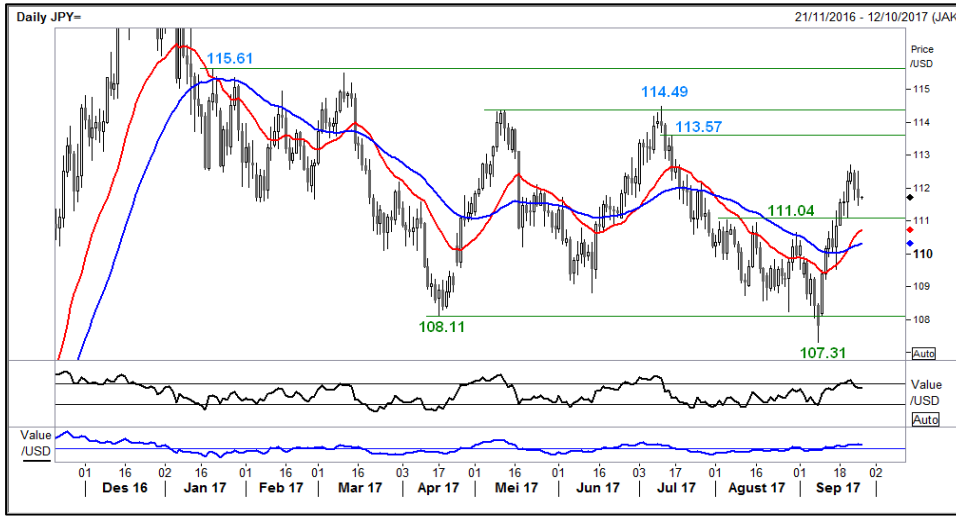
WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.19355 (25/Sep)	1.18310 (25/Sep)	1.20915 (08/Sep)	1.18310 (25/Sep)	1.20693 (29/Aug)	1.16611 (17/Aug)	1.20915 (08/Sep)	1.0342 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.2092	High Sept 08
	1.2039	High Sept 11
	1.2004	High Sept 22
	1.1960	High Sept 25
SUPPORT	1.1771	Low Aug 25
	1.1729	Low Aug 21
	1.1661	Low Aug 17
	1.1477	Low Jul 20
RECOMMENDATION	BUY	-----
	SELL	1.1875
	STOP LOSS	1.1950
	TARGET	1.1795 1.1765

## USD/JPY

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



- Correction formed the consecutive lower highs pattern, facing the crucial support area at 111
- While the resistance at 112.71 - 113.57
- Beware of the RSI begin to fall from the overbought zone  
[\(Research - @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 25	112.327	112.517	111.464	105,3	111.683	↓ 34,4	112.027
Sep 22	112.397	112.543	111.642	90,1	112.027	↓ 42,4	112.451
Sep 21	112.284	112.704	112.122	58,2	112.451	↑ 22,3	112.228
Sep 20	111.565	112.518	111.094	142,4	112.228	↑ 65,7	111.571
Sep 19	111.542	111.868	111.189	67,9	111.571	↓ 1,7	111.588

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
112.517 (25/Sep)	111.464 (25/Sep)	112.704 (21/Sep)	107.307 (08/Sep)	111.038 (04/Aug)	108.256 (29/Aug)	118.60 (03/Jan)	107.307 (08/Sep)

### ANALYSIS & RECOMMENDATION

RESISTANCE	115.19	High 14/Mar/2017 (Reaction high)
	114.49	High 11/Jul/2017 (Peak)
	113.57	High 14/Jul/2017 (Reaction high)
	112.71	High 21/Jul/2017 (Peak)
SUPPORT	111.09	Low Sept 20
	110.87	Low 18/Sep/2017
	109.54	Low 15/Sep/2017 (Reaction low)
	109.23	Low 12/Sep/2017
RECOMMENDATION	BUY	----
	SELL	112.05
	STOP LOSS	112.80
	TARGET	111.25 110.85

## GBP/USD

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



- Crucial support area at 1.3445 is still tested
- The RSI starts to fall from the overbought zone
- If it fails to hold above 1.3445 area, then correction may develop ([Research – @ErwinRiset](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 25	1.35022	1.35696	1.34298	139,8	1.34658	↓ 60,7	1.35265
Sep 22	1.35785	1.35945	1.34866	107,9	1.35265	↓ 40,1	1.35666
Sep 21	1.34949	1.35855	1.34695	116,0	1.35666	↑ 74,4	1.34922
Sep 20	1.35045	1.36565	1.34506	205,9	1.34922	UNCH	1.34922
Sep 19	1.34953	1.35505	1.34673	83,2	1.34922	↑ 2,3	1.34899

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.35696 (25/Sep)	1.34298 (25/Sep)	1.36565 (20/Sep)	1.29043 (01/Sep)	1.32665 (03/Aug)	1.27728 (24/Aug)	1.36565 (20/Sep)	1.1986 (16/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.5018	High 24/Jun/2016 (Peak)
	1.4010	Pivot line
	1.3656	High 20/Sep/2017
	1.3595	High 22/Sep/2017
SUPPORT	1.3379	Low 15/Sep/2017
	1.3264	Pivot line (Daily)
	1.3158	Low 11/Sep/2017 (Reaction low)
	1.3060	Reaction low (hourly)
RECOMMENDATION	BUY	----
	SELL	1.3530
	STOP LOSS	1.3600
	TARGET	1.3435 1.3390



## USD/CHF

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



- Reversal develops after failing to hold above crucial area of 0.9700
  - Correction is facing crucial support at 0.9580
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 25	0.97052	0.97447	0.96408	103,9	0.96626	↓ 38,1	0.97007
Sep 22	0.97059	0.97082	0.96669	41,3	0.97007	↓ 4,5	0.97052
Sep 21	0.96963	0.97463	0.96837	62,6	0.97052	↑ 9,6	0.96956
Sep 20	0.96231	0.97166	0.95857	130,9	0.96956	↑ 71,5	0.96241
Sep 19	0.96150	0.96476	0.95939	53,7	0.96241	↑ 7,6	0.96165

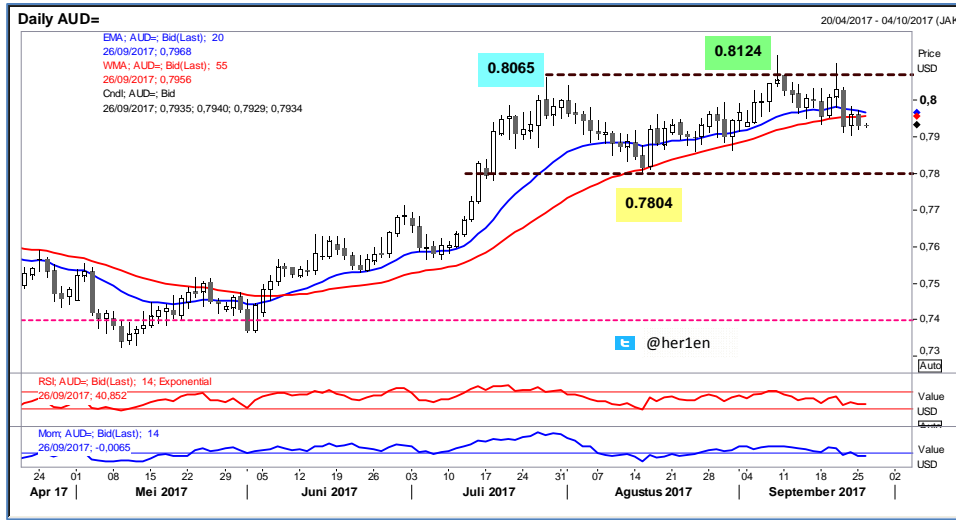
WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.97447 (25/Sep)	0.96408 (25/Sep)	0.97463 (21/Sep)	0.94195 (08/Sep)	0.97715 (08/Aug)	0.94269 (29/Aug)	1.0335 (03/Jan)	0.94195 (08/Sep)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.9967	High 16/May/2017
	0.9856	Pivot line (Crucial level)
	0.9808	High 30/May/2017 (Reaction high)
	0.9772	High 08/Aug/2017 (Reaction high)
SUPPORT	0.9588	Reaction low (hourly)
	0.9463	Low 11/Sep/2017
	0.9419	Low 08/Sep/2017
	0.9379	Low 26/Aug/2015
RECOMMENDATION	BUY	----
	SELL	0.9695
	STOP LOSS	0.9775
	TARGET	0.9630 0.9590

## AUD/USD

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



- Correction happens in daily
- Main resistance at 0.8295, support 0.7804  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 25	0.79551	0.79725	0.79253	47,2	0.79353	↓ 29,0	0.79643
Sep 22	0.79307	0.79850	0.79070	78,0	0.79643	↑ 39,1	0.79252
Sep 21	0.80326	0.80331	0.79139	119,2	0.79252	↓ 104,2	0.80294
Sep 20	0.80085	0.81022	0.79846	117,6	0.80294	↑ 22,2	0.80072
Sep 19	0.79583	0.80188	0.79573	61,5	0.80072	↑ 51,5	0.79557

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.79725 (25/Sep)	0.79253 (25/Sep)	0.81239 (08/Sep)	0.79070 (22/Sep)	0.80416 (01/Aug)	0.78067 (15/Aug)	0.81239 (08/Sep)	0.7182 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.8295	High Jan 15, 2015 (Reaction high)
	0.8162	High May 14, 2015
	0.8124	High Sept 08
	0.8036	High Sept 21
SUPPORT	0.7863	Low Aug 24
	0.7812	Low Aug 16
	0.7721	Low July 14
	0.7671	Low July 13
ECOMMENDATION	BUY	-----
	SELL	0.7960
	STOP LOSS	0.8025
	TARGET	0.7890 0.7860

## NZD/USD

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



- Correction facing the support area at 0.7100 - 0.7050
- Resistance level at 0.7558
- Daily RSI is down [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 25	0.73074	0.73105	0.72505	60,0	0.72636	↓ 56,8	0.73204
Sep 22	0.73096	0.73428	0.72789	63,9	0.73204	↑ 13,7	0.73067
Sep 21	0.73542	0.73630	0.72969	66,1	0.73067	↓ 48,8	0.73555
Sep 20	0.73145	0.74323	0.73020	130,3	0.73555	↑ 39,4	0.73161
Sep 19	0.72572	0.73254	0.72540	71,4	0.73161	↑ 50,9	0.72652

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.73105 (25/Sep)	0.72505 (25/Sep)	0.74323 (20/Sep)	0.71446 (01/Sep)	0.75239 (01/Aug)	0.71305 (31/Aug)	0.75570 (27/Jul)	0.68166 (11/May)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	0.7558	High Jul 27
	0.7473	High Aug 02
	0.7454	High Aug 04
	0.7363	High Sept 21
<b>SUPPORT</b>	0.7182	Low Sept 18
	0.7112	Low June 05
	0.7054	Low June 01
	0.7005	Low May 26
<b>RECOMMENDATION</b>	BUY	-----
	SELL	0.7275
	STOP LOSS	0.7340
	TARGET	0.7205 0.7175

## EUR/JPY

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



- A sharp reversal is testing and breaking a crucial crucial at 132.25
  - Correction is likely to continue if it fails to hold above the 132.35 area
  - While the important support area is at 129.35
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 25	133.906	134.211	131.890	232,1	132.377	↓ 140,7	133.784
Sep 22	134.187	134.377	133.472	90,5	133.784	↓ 50,1	134.285
Sep 21	133.543	134.351	133.477	87,4	134.285	↑ 83,4	133.451
Sep 20	133.816	134.065	133.230	83,5	133.451	↓ 34,0	133.791
Sep 19	133.303	134.141	133.204	93,7	133.791	↑ 44,9	133.342

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
134.211 (25/Sep)	131.890 (25/Sep)	134.377 (22/Sep)	129.340 (06/Sep)	131.678 (30/Aug)	127.532 (18/Aug)	134.377 (22/Sep)	114.87 (17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	137.46	High Sept 17, 2015 (Reaction high)
	136.95	High 09/Oct/2015 (Reaction high)
	136.40	High 21/Oct/2015 (Reaction high)
	134.59	High 04/Dec/2015 (Reaction high)
SUPPORT	131.90	Low 25/Sep/2017
	130.59	Low 15/Sep/2017
	129.34	Low 06/Sep/2017 (Reaction low)
	128.46	Low 23/Aug/2017
RECOMMENDATION	BUY	----
	SELL	133.30
	STOP LOSS	134.60
	TARGET	132.35 131.90

### USD/CAD

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



- Rebound continued facing a crucial resistance area at 1.2412
- Breakout that area will strengthen a bullish signal
- While the trendline support around 1.2180  
[\(Research – @ErwinRiset\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2333</b>	<b>1.2366</b>

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2385 (25/Sep)	1.2309 (25/Sep)	1.2491 (01/Sep)	1.2057 (08/Sep)	1.2778 (15/Aug)	1.2438 (29/Aug)	1.3793 (05/May)	1.2057 (08/Sep)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.2778	High 15/Aug/2017 (Peak)
	1.2691	High 18/Aug/2017 (Reaction high)
	1.2491	High 01/Sep/2017
	1.2415	High 06/Sep/2015
<b>SUPPORT</b>	1.2251	Low 22/Sep/2017 (Reaction low)
	1.2198	Low 20/Sep/2017 (Reaction low)
	1.2116	Low 15/Sep/2017 (Reaction low)
	1.2057	Low 08/Sep/2017
<b>RECOMMENDATION</b>	<b>BUY</b>	<b>1.2330</b>
	<b>SELL</b>	----
	<b>STOP LOSS</b>	<b>1.2235</b>
	<b>TARGET</b>	<b>1.2415– 1.2480</b>

## Precious Metal – *Daily Outlook*

### Gold rises as geopolitical risks drive safe-haven buying - Reuters News



Gold prices rose on Monday, reversing earlier losses as geopolitical risks drove safe-haven buying.

Bullion rose 1 percent on rising tensions between North Korea and the United States, and on German Chancellor Angela Merkel's less-than-resounding victory in Sunday's national election.

North Korean Foreign Minister Ri Yong Ho said U.S. President Donald Trump had declared war on the Asian nation and Pyongyang reserves the right to take countermeasures, including shooting down U.S. bombers.

Merkel must find partners to build a coalition government after securing a fourth term as German chancellor.

Escalating U.S.-North Korea tensions will "create a shift in assets. People are going to come out of shifter assets like the S&P 500 and go into safe havens like gold, silver and the U.S. treasuries," said Phillip Streible, senior commodities broker at RJO Futures in Chicago.

Spot gold was up 0.85 percent at \$1,308.06 an ounce by 2:48 p.m. EDT (1848 GMT). It fell earlier as the German election results hit the euro.

U.S. gold futures for December delivery settled up \$14, or 1.08 percent, at \$1,311.50 per ounce.

Gold has now slipped 3.5 percent from the more than one-year high it hit on Sept. 8, largely on the back of concerns over North Korea's nuclear ambitions.

The euro slipped against the dollar and southern European government bonds sold off after the German election results sparked fears of a more hardline stance towards the euro zone in the bloc's largest economy.

Gold has recently come under pressure from rising expectations the Federal Reserve will lift U.S. interest rates once more this year and start trimming its \$4.5 trillion balance sheet, much of it built up after the 2008 financial crisis.

Tighter monetary policy raises the opportunity cost of holding non-yielding bullion.

The Chicago Federal Reserve Bank's president said on Monday he is a little "nervous" the causes of low inflation might be structural rather than temporary.

Physical gold demand remained soft in major Asian markets last week despite lower prices, with consumers awaiting further dips, while a government move to bring transparency to bullion trading kept buyers on the sidelines in India.

Silver rose 0.93 percent to \$17.108 an ounce after falling more than 3.5 percent last week in the biggest weekly decline since early July.

Platinum was up 0.90 percent to \$938.90 an ounce after touching the lowest price since late July. Palladium was down 0.61 percent at \$910.90 an ounce.

*(Source Reuters, Research – @her1en)*

## GOLD (XAU/USD)



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Sep 25	1291.810	1311.740	1290.610	21.13	1310.420	↑ 14.09	1296.330	1295.50	1293.30
Sep 22	1291.350	1298.540	1291.130	7.41	1296.330	↑ 5.17	1291.160	1297.00	1294.80
Sep 21	1300.890	1301.550	1287.950	13.60	1291.160	↓ 9.82	1300.980	1297.35	1292.10
Sep 20	1310.790	1315.810	1295.860	19.95	1300.980	↓ 9.93	1310.910	1314.90	1311.30
Sep 19	1307.360	1311.490	1304.990	6.50	1310.910	↑ 3.57	1307.340	1308.45	1309.60

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1311.740 (25/Sep)	1290.610 (25/Sep)	1357.380 (08/Sep)	1287.950 (21/Sep)	1325.870 (29/Aug)	1251.380 (08/Aug)	1357.380 (08/Sep)	1146.31 (03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	1339.96	High Sept 11
	1334.65	High Sept 13
	1319.56	High Sept 18
	1316.10	High Sept 20
<b>SUPPORT</b>	1287.61	Low Sept 21
	1278.54	Low Aug 25
	1267.23	Low Aug 15
	1260.56	Low Aug 09
<b>RECOMMENDATION</b>	BUY	1305.00
	SELL	-----
	STOP LOSS	1295.00
	TARGET	1316.00 1321.00

## SILVER (XAG/USD)



- With strong resistance at 18.22
  - While the crucial support area is around 16.55
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 25	16.893	17.161	16.825	0.34	17.161	↑ 0.20	16.962
Sep 22	16.974	17.047	16.892	0.16	16.962	↑ 0.01	16.948
Sep 21	17.151	17.160	16.817	0.34	16.948	↓ 0.21	17.155
Sep 20	17.288	17.380	16.953	0.43	17.155	↓ 0.15	17.302
Sep 19	17.192	17.313	17.100	0.21	17.302	↑ 0.10	17.198

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.161	16.825	18.199	16.817	17.647	16.108	18.63	14.334
(25/Sep)	(25/Sep)	(08/Sep)	(21/Sep)	(29/Aug)	(07/Aug)	(17/Apr)	(07/Jul)

### ANALYSIS & RECOMMENDATION

RESISTANCE	18.22	High Apr 20
	17.96	High Sept 13
	17.62	High Sept 18
	17.39	High Sept 20
SUPPORT	16.80	Low Sept 21
	16.55	Low Aug 15
	16.10	Low Aug 07
	15.94	Low July 17
ECOMMENDATION	BUY	17.10
	SELL	-----
	STOP LOSS	16.75
	TARGET	17.45
		17.65



## OIL – Daily Outlook

### Oil hits highest since July 2015; producers say market rebalancing - Reuters News



Oil prices soared more than 3 percent on Monday, with Brent hitting its highest in more than two years, after major producers said the global market was on its way to rebalancing, while Turkey threatened to cut oil flows from Iraq's Kurdistan region toward its ports. The November Brent crude futures contract settled up \$2.16, or 3.8 percent, at \$59.02 a barrel, its highest since July, 2015.

U.S. West Texas Intermediate crude for November delivery rose \$1.56, or 3 percent, to settle at \$52.22 a barrel, the highest since April.

"It's all driven by the idea that the production cut is starting to work and the rebalance is underway," said Gene McGillian, director of market research at Tradition Energy in New York.

Even as both contracts rallied, concerns about U.S. production growth weighed on WTI, widening its discount, he said.

The spread between WTI and Brent futures widened to \$6.61, its steepest since August 2015.

Turkey has said it could cut off a pipeline that carries oil from northern Iraq to the global market, putting more pressure on the Kurdish autonomous region over its independence referendum.

The Iraqi government does not recognise the referendum and has called on foreign countries to stop importing Kurdish crude.

"If this boycott call proves successful, a good 500,000 fewer barrels of crude oil per day would reach the market," Commerzbank said in a note.

The Organization of the Petroleum Exporting Countries, Russia and several other producers have cut production by about 1.8 million barrels per day (bpd) since the start of 2017, helping lift oil prices by about 15 percent in the past three months.

Kuwaiti Oil Minister Essam al-Marzouq, who chaired Friday's meeting in Vienna of the Joint Ministerial Monitoring Committee, said output curbs were helping to cut global crude inventories to their five-year average, OPEC's stated target.

Russia's energy minister said no decision was expected before January on whether to extend output curbs beyond the end of March. Other ministers suggested such a decision could be taken before the end of this year.

Iran expects to maintain overall crude and condensate exports at around 2.6 million bpd for the rest of 2017, a senior official from the country's state oil company said.

The energy minister from the United Arab Emirates said the country's compliance with OPEC's supply cuts was 100 percent.

Nigeria is pumping below its agreed output cap, its oil minister said.

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

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



- Daily RSI is rise
- There has been a daily channel trend break
- Resistance is important at 53.99  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Sep 25	50.66	52.26	50.38	1.88	52.11	↑ 1.48	50.63
Sep 22	50.71	50.76	50.28	0.48	50.63	↓ 0.09	50.72
Sep 21	50.68	50.78	50.06	0.72	50.72	↑ 0.01	50.71
Sep 20	50.27	51.09	50.14	0.95	50.71	↑ 0.45	50.26
Sep 19	50.36	50.80	49.72	1.08	50.26	↓ 0.08	50.34

WEEKLY		SEPTEMBER		AUGUST		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
52.26	50.38	52.26	46.55	50.41	45.58	55.22	42.04
(25/Sep)	(25/Sep)	(25/Sep)	(01/Sep)	(01/Aug)	(31/Aug)	(03/Jan)	(21/Jun)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	55.81	High Feb 21
	54.87	High Aug 14
	53.99	High Apr 19
	52.62	High May 25
<b>SUPPORT</b>	50.39	Low Sept 25
	49.73	Low Sept 19
	48.12	Low Sept 13
	47.00	Low Sept 11
<b>RECOMMENDATION</b>	BUY	51.90
	SELL	-----
	STOP LOSS	50.40
	TARGET	53.40
		53.90