

Daily Bulletin

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

Research Department

07/27/2017

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Published by RESEARCH DEPARTMENT – PT VALBURY ASIA FUTURES

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GLOBAL MARKETS & ECONOMIES

GLOBAL MARKETS

- Asian stocks steadied on Wednesday and the dollar held firm as investors awaited the Federal Reserve's policy decision later in the day for more clues on its tightening plans.
- Supportive crude prices and strong results from energy firms and auto companies helped European shares rise on Wednesday.
- The dollar touched its lowest in more than a year and U.S. Treasury prices rose on Wednesday after the Federal Reserve left interest rates unchanged and signaled it could begin to cut its massive bond portfolio in the coming months.

GLOBAL ECONOMIES

- Australian consumer prices were surprisingly soft last quarter and core inflation rate stayed below target for a sixth straight quarter, a reminder of just why interest rates in the country are at record lows and set to remain there for months to come.
- Bank of Japan Deputy Governor Hiroshi Nakaso said the services sector has streamlined operations to avoid passing labour costs on to consumers, but there are signs that companies will raise prices in the future.
- The rapid ageing of Europe's population may keep interest rates depressed over the next decade, potentially limiting the European Central Bank's ability to adjust policy, a research paper published by the ECB on Wednesday showed.
- Britain's economy failed to build much momentum over the past three months after almost stalling at the start of the year, reducing an already slim chance that the Bank of England will soon reverse last year's emergency interest rate cut.
- New U.S. single-family home sales increased in June as purchases in the West surged to a near 10-year high, but downward revisions to the sales pace for the prior three months pointed to a housing market that was treading water.

GLOBAL MARKETS

Asia – Asian stocks steadied on Wednesday and the dollar held firm as investors awaited the Federal Reserve's policy decision later in the day for more clues on its tightening plans.

The Fed will conclude its two-day meeting later on Wednesday, and is widely expected to keep interest rates unchanged.

With a rate hike not in the picture this time, the focus will be on the Fed's statement, with markets looking for signs of when the central bank will begin paring its massive bond holdings and next raise rates. Its statement is expected at 1800 GMT.

Federal funds futures implied traders saw the chance of a Fed rate increase in September at about 8 percent and a December hike possibility at 48 percent.

MSCI's broadest index of Asia-Pacific shares outside Japan was little changed, but drew mild support after the S&P 500 climbed to an all-time high overnight on well-received results from McDonald's and Caterpillar in addition to bank share gains.

Australian stocks gained 1 percent with a smaller-than-expected rise in local inflation supporting views that interest rates will remain at record lows for some time to come.

Japan's Nikkei added 0.5 percent after the dollar rallied against the yen overnight to pull away from seven-week lows.

The blue-chip CSI300 index fell 0.4 percent on lingering fears of further regulatory tightening, while South Korea's KOSPI lost momentum after touching a record high the previous day and slipped 0.2 percent.

Euro Zone – Supportive crude prices and strong results from energy firms and auto companies helped European shares rise on Wednesday.

The pan-European STOXX 600 ended up 0.5 percent, broadly in line with euro zone stocks and blue-chips, as oil and gas shares gained 0.8 percent and autos climbed 0.6 percent.

"Indications are more positive on the outlook for energy stocks, especially for the most geared such as oil services," said Angelo Meda, head of equities at Banor SIM in Milan.

"While there was a lot of kitchen sinking from firms in first-quarter numbers, they have reset expectations over valuations and cleaned up balance sheets now."

Tullow Oil rose 7.9 percent after higher output from new fields helped sales at the Africa-focused oil producer rise 46 percent in the first half, though it also reported impairment charges due to low oil prices.

Oil services firm Petrofac added 1.4 percent after winning new contracts in Iraq worth \$100 million.

Peugeot maker PSA Group jumped 3.2 percent, leading autos higher after the firm hit a new profitability record, beating analyst expectations with an increase in sales for the first half.

Recent euro strength has weighed on earnings expectations for euro zone corporates, particularly those most dependent on exports such as industrials firms.

The common currency rose to a two-year high of \$1.1711 on Tuesday. "We believe that the impact is manageable if we don't go beyond \$1.20 to the euro," said Banor SIM's Meda. "If we do, it will start to have an impact and depress European stocks, especially exporters, cyclical and industrials."

With a quarter of euro zone MSCI Europe companies having reported so far, 40 percent have beaten earnings estimates while 48 percent have missed, according to Thomson Reuters data.

There were already signs of strain among industrials, the sector seeing the worst performance with 86 percent so far having missed expectations.

Among top fallers, chipmaker ASM International fell 6.2 percent, as its third-quarter order outlook disappointed analysts despite record order intake for the second quarter.

Investors have high expectations for tech firms such as ASM, which have made strong gains this year. The sector is up 14 percent, the second best performing in Europe.

UniCredit fell 0.4 percent after it said it had suffered a cyber attack giving unauthorised access to Italian clients' data.

"Cyber attacks are something we need to live with," said Meda. "It's more positive for cyber security stocks than it is negative for Unicredit."

Swiss pharma company Lonza shot up 7.7 percent to a record high after a better than expected second quarter and new mid-term targets.

U.S. & Global Markets – The dollar touched its lowest in more than a year and U.S. Treasury prices rose on Wednesday after the Federal

Reserve left interest rates unchanged and signaled it could begin to cut its massive bond portfolio in the coming months.

U.S. stocks held their gains after the statement, hitting record closing highs on another day of strong earnings reports from companies including Boeing and AT&T.

In its statement following a two-day policy meeting, the U.S. central bank said it expected to start winding down its bond holdings "relatively soon." It noted that overall inflation and a measure of underlying price gains had both declined and said it would "carefully monitor" price trends.

Strategists said bond prices and the dollar reacted to the statement's slightly more dovish tone.

"The statement was mildly more dovish than expected. The Fed's assessment of the inflation backdrop amounted to a very modest downgrade of the overall inflation situation and could signal slightly more concern on the part of the Fed with respect to their forecast for inflation," said Omer Esiner, chief market analyst at Commonwealth FX in Washington.

Benchmark 10-year notes gained 11/32 in price to yield 2.29 percent, down from 2.33 percent on Tuesday.

The U.S. Treasury yield curve also marked a milestone not seen since the onset of the financial crisis, with all maturities comprising the curve sporting a yield of at least 1 percent for the first time in nearly nine years.

The dollar index, which measures the greenback against six major currencies, reversed course after the statement and fell to 93.396, its lowest since June 23, 2016. It was last down 0.6 percent at 93.459.

Futures traders are pricing in a 50-percent chance that the Fed will raise rates at its December meeting, down from 52 percent before the statement, according to the CME Group's FedWatch Tool.

The U.S. central bank's statement did not dramatically sway Wall Street's major indexes, but a 0.6 percent decline in S&P financials limited gains in the benchmark S&P index.

The Dow Jones Industrial Average rose 97.58 points, or 0.45 percent, to end at 21,711.01, the S&P 500 gained 0.7 point, or 0.03 percent, to 2,477.83 and the Nasdaq Composite added 10.57 points, or 0.16 percent, to 6,422.75.

MSCI's index of stock markets across the world was up 0.1 percent, while European shares ended up 0.5 percent.

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

GLOBAL ECONOMIES

Australia – Australian consumer prices were surprisingly soft last quarter and core inflation rate stayed below target for a sixth straight quarter, a reminder of just why interest rates in the country are at record lows and set to remain there for months to come.

The local dollar slipped a quarter of a cent as the consumer price index (CPI) rose 0.2 percent in the second quarter and 1.9 percent for the year, well short of the 2.2 percent increase expected.

Underlying inflation rose 0.5 percent in the second quarter, from the first, which matched market forecasts.

The annual rate of 1.8 percent was again short of the Reserve Bank of Australia's long-term target band of 2 percent to 3 percent, where it has been since the start of 2016.

"Obviously the RBA is not going to be happy with these levels. Core inflation has been too low for too long," said Tom Kennedy, an economist at JPMorgan. "The RBA is not going to be thinking about rate hikes anytime soon."

The protracted period of subdued inflation led the central bank to cut interest rates to a record low of 1.5 percent last year and it has been on hold ever since.

Investors reacted to the inflation news by paring an already slim chance of a hike, with interbank futures implying an 8 percent probability of a move by December.

Japan – Bank of Japan Deputy Governor Hiroshi Nakaso said the services sector has streamlined operations to avoid passing labour costs on to consumers, but there are signs that companies will raise prices in the future.

Nakaso, in a speech to business leaders in Hiroshima, western Japan, also expressed confidence that inflation will reach the BOJ's 2 percent price target around fiscal 2019 and said the BOJ should stick with its quantitative easing programme.

A pickup in consumer spending, rising exports and an improving output gap are all reasons to be positive about the outlook, but many economists still argue that the BOJ's inflation forecasts are overly optimistic.

Nakaso later said the central bank needs to continue buying exchange-traded funds (ETFs) to lower risk premiums, but the policy is coming under increasing criticism for artificially pushing up stock prices.

The BOJ last week kept monetary policy steady but once again pushed back the timing for achieving its elusive inflation target, reinforcing views it will lag well behind other major central banks in scaling back its massive stimulus programme.

"Companies are trying to absorb higher labour costs by revising their business processes," Nakaso said on Wednesday.

"The BOJ doesn't expect this to continue for ever. The output gap is clearly improving, so companies will become more aggressive in setting wages and prices."

Nakaso added that he saw no need to ease policy further because there is still upward momentum in consumer prices.

Nakaso gave a few examples of corporate streamlining: some companies in retail and dining have responded to a labour shortage by shortening their business hours instead of raising wages to attract workers.

Some companies are also investing in labour-saving technology, such as self-checkout tills, which allows companies to maintain their current level of service with less workers.

Such behaviour has allowed companies to avoid passing higher costs on to consumers, but there are signs that sentiment is turning, Nakaso said.

The BOJ's tankan survey for June shows shipping, wholesale, retail, and hospitality firms are considering raising prices in the future.

Business leaders from Hiroshima, which is home to automaker Mazda Motor Corp, expressed concerns about labour shortages and interest in capital expenditure to deal with this problem, according to Nakaso.

Despite the short-term negative impact on wages and prices, investment in labour-saving technology should be welcomed because it raises productivity in the long term, Nakaso said.

It also important to put structural policies in place to make the labour market more fluid, Nakaso said.

The BOJ has a negative 0.1 percent short-term interest rate and buys government debt to keep 10-year yields near zero.

The central bank also buys ETFs so its holdings increase at an annual pace of 6 trillion yen (\$53.62 billion), and some analysts say this has exaggerated gains in the underlying share prices of many companies.

"I think ETF purchases are still necessary, but this is something that we debate and decide on at each policy meeting," Nakaso said.

"Right now I think the benefits outweigh the costs."

The BOJ has now postponed its inflation target timeframe six times since Governor Haruhiko Kuroda launched his huge asset-buying programme in 2013.

Japan's core consumer prices rose just 0.4 percent in May from a year earlier.

Euro Zone – The rapid ageing of Europe's population may keep interest rates depressed over the next decade, potentially limiting the European Central Bank's ability to adjust policy, a research paper published by the ECB on Wednesday showed.

The expected rise in the share of people not working will hold back growth and limit investment, making it necessary for governments to encourage later retirement, and to promote innovation and investment, the researchers said in a paper that does not necessarily represent the ECB's opinion.

"Empirical evidence presented in this paper suggests that over the next decade, adverse demographic developments in the euro area may continue exerting downward pressure on short- and long-term nominal and real interest rates, potentially limiting the ability of monetary policy to adjust its stance due to the presence of the lower bound to policy rates," the paper said.

With ECB rates at record lows, policymakers have relied on a plethora of unconventional tools to boost growth and prices but some have argued that rapid ageing, technological leaps and globalisation naturally cap wages, prices and ultimately central bank interest rates.

"In (the baseline scenario,) the real short-term interest rate in the euro area would remain negative until 2019 and remain close to zero over the 2020-25 period, not far from the average between 2007 and 2015," said the authors, from the ECB and the Bank of Italy.

UK – Britain's economy failed to build much momentum over the past three months after almost stalling at the start of the year, reducing an already slim chance that the Bank of England will soon reverse last year's emergency interest rate cut.

Economic output grew by 0.3 percent on the quarter, edging up from a sluggish rate of 0.2 percent in the first quarter, as a booming film industry and bright spots elsewhere in the services sector were largely offset by contractions in manufacturing and construction.

The figure was in line with the median forecast in a Reuters poll of economists and capped the weakest first half to any year since 2012.

Finance minister Philip Hammond said the economy was "steady" and that more certainty about how Britain will leave the European Union in less than two years' time would help spur economic growth.

Sterling edged down against the U.S dollar after the data was released and British share prices rose.

"To me, this is the final nail in the coffin for an August rate hike," said Alan Clarke, head of European fixed income strategy at Scotiabank.

Underlining the consumer slowdown, separate figures from trade body UK Finance on Wednesday showed British banks approved the fewest mortgages for house purchase since September 2016 last month, though the total sum lent was the highest since March 2016.

Britain's economy grew 1.8 percent in 2016, among the fastest of the world's seven largest major advanced economies and defying widespread predictions of recession after the vote to leave the European Union.

But the Brexit vote in June 2016 did lead to a big fall in the value of sterling, which has pushed up inflation, gnawing at consumers' disposable income this year.

"The economy has experienced a notable slowdown in the first half of this year," ONS statistician Darren Morgan said.

U.S. – New U.S. single-family home sales increased in June as purchases in the West surged to a near 10-year high, but downward revisions to the sales pace for the prior three months pointed to a housing market that was treading water.

The housing market is being constrained by a dire shortage of properties, which is keeping home prices elevated and sidelining first-time buyers.

The Commerce Department said on Wednesday new home sales rose 0.8 percent to a seasonally adjusted annual rate of 610,000 units last month. The sales pace for March, April and May was revised lower.

Economists polled by Reuters had forecast new home sales, which account for 10 percent of overall home sales, increasing 1.4 percent to a pace of 615,000 units last month. New home sales increased 9.1 percent on a year-on-year basis.

They remain less than half of what they were at the peak of the housing market bubble in 2005. Demand for housing is being driven by a strong labor market, which is near full employment.

Builders are, however, struggling to keep up amid rising lumber costs and shortages of labor and land. Housing starts are running at a 1.22 million-unit pace. That is below their historic average of 1.5 million units, a rate realtors say would eliminate the housing shortage.

A separate report from the Mortgage Bankers Association showed applications for loans to purchase a home fell 2 percent last week from one week earlier to the lowest level since May. Applications, however, increased 8 percent compared to the same period last year.

The PHLX index of housing stocks fell 0.2 percent, bucking a broadly firmer U.S. stock market. Shares in the nation's largest homebuilder, D.R. Horton, declined 1.6 percent. Lennar Corp shares slipped 0.3 percent and Pultegroup stock rose 0.3 percent.

With homebuilder confidence dropping to an eight-month low in July, the supply of houses is unlikely to improve. A report on Monday showed sales of previously owned homes fell 1.8 percent in June and will likely continue to tread water for the rest of the year.

In June, the inventory of new homes on the market increased 1.1 percent to 272,000 units, the highest level since June 2009. Still, new housing stock is less than half of what it was at its peak during the housing boom.

At June's sales pace it would take 5.4 months to clear the supply of houses on the market, up from 5.3 months in May. A six-month supply is viewed as a healthy balance between supply and demand.

Last month, new single-family homes sales in the West soared 12.5 percent to a 180,000 unit-rate, the highest level since July 2007. They jumped 10.0 percent in the Midwest, but fell 6.1 percent in the South. Sales were unchanged in the Northeast.

(Source Reuters, Research – @her1en)

WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/24-Jul-17	07:30	JP	Nikkei Japan PMI Mfg	Jul P	52.2	--	52.4	
	12:00	JP	Supermarket Sales YoY	Jun	-1.2%	--	-1.8%	
	12:00	JP	Leading Index CI	May F	104.6	--	104.7	
	12:00	JP	Coincident Index	May F	115.8	--	115.5	
	14:30	DE	Markit/BME Germany Manufacturing PMI	Jul P	58.3	59.2	59.6	
	14:30	DE	Markit Germany Services PMI	Jul P	53.5	54.3	54	
	14:30	DE	Markit/BME Germany Composite PMI	Jul P	55.1	56.3	56.4	
	15:00	EZ	Markit Eurozone Manufacturing PMI	Jul P	65.8	57.2	57.4	
	15:00	EZ	Markit Eurozone Services PMI	Jul P	55.4	55.5	55.4	
	15:00	EZ	Markit Eurozone Composite PMI	Jul P	55.8	56.2	56.3	
	20:00	CN	Conference Board China June Leading Economic Index					
	20:45	US	Markit US Manufacturing PMI	Jul P	53.2	52.0	52	
	20:45	US	Markit US Services PMI	Jul P	54.2	54.3	54.2	
	20:45	US	Markit US Composite PMI	Jul P	54.2	--	53	
	21:00	US	Existing Home Sales	Jun	5.52m	5.57m	5.62m	
	21:00	US	Existing Home Sales MoM	Jun	-1.8%	-1.0%	1.1%	
	23:00	EZ	ECB's Frank Smets Speaks in Munich					
Tue/25-Jul-17	04:00	KR	Consumer Confidence	Jul	111.2	--	111.1	
	06:30	AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Jul-23	115.1	--	112.5	
	06:50	JP	BOJ Minutes of June 15-16 Meeting					
	15:00	DE	IFO Business Climate	Jul	116.0	114.9	115.1	115.2
	15:00	DE	IFO Expectations	Jul	107.3	106.5	106.8	
	15:00	DE	IFO Current Assessment	Jul	125.4	123.8	124.1	124.2
	17:00	GB	CBI Business Optimism	Jul	5	0	1	
	17:00	GB	CBI Trends Total Orders	Jul	10	12	16	
	17:00	GB	CBI Trends Selling Prices	Jul	9	20	23	
	20:00	US	FHFA House Price Index MoM	May	0.4%	0.5%	0.7%	0.6%
	20:00	US	S&P CoreLogic CS 20-City MoM SA	May	0.1%	0.3%	0.28%	-0.18%
	20:00	US	S&P CoreLogic CS 20-City YoY NSA	May	5.69%	5.8%	5.67%	5.77%
	20:00	US	S&P CoreLogic CS 20-City NSA Index	May	198.97	--	197.19	197.38
	20:00	US	S&P CoreLogic CS US HPI YoY NSA	May	5.58%	--	5.5%	5.65%
	20:00	US	S&P CoreLogic CS US HPI NSA Index	May	190.61	--	188.5	188.77
21:00	US	Conf. Board Consumer Confidence	Jul	121.1	116.5	118.9	117.3	
21:00	US	Conf. Board Present Situation	Jul	147.8	--	146.3	143.9	
21:00	US	Conf. Board Expectations	Jul	103.3	--	100.6	99.6	
21:00	US	Richmond Fed Manufact. Index	Jul	14	7	7	11	
Wed/26-Jul-17	05:45	NZ	Trade Balance NZD	Jun	242m	150m	103m	74m
	05:45	NZ	Exports NZD	Jun	4.70b	4.60b	4.95b	4.92b
	05:45	NZ	Imports NZD	Jun	4.46b	4.40b	4.85b	4.84b
	05:45	NZ	Trade Balance 12 Mth YTD NZD	Jun	-3661m	-3680m	-3754m	-3796m
	06:50	JP	PPI Services YoY	Jun	0.8%	0.8%	0.7%	0.8%
	08:30	AU	CPI QoQ	2Q	0.2%	0.4%	0.5%	
	08:30	AU	CPI YoY	2Q	1.9%	2.2%	2.1%	
	08:30	AU	CPI Trimmed Mean QoQ	2Q	0.5%	0.5%	0.5%	
	08:30	AU	CPI Trimmed Mean YoY	2Q	1.8%	1.8%	1.9%	
	08:30	AU	CPI Weighted Median QoQ	2Q	0.5%	0.5%	0.4%	
	08:30	AU	CPI Weighted Median YoY	2Q	1.8%	1.7%	1.7%	
	08:30	JP	BOJ Nakaso speaks in Hiroshima					
	10:05	AU	RBA's Lowe Speech in Sydney					
	12:00	JP	Small Business Confidence	Jul	50.0	49.8	49.2	
	15:00	CH	Credit Suisse Survey Expectations	Jul	34.7	--	20.7	
15:30	GB	GDP QoQ	2Q A	0.3%	0.3%	0.2%		
15:30	GB	GDP YoY	2Q A	1.7%	1.7%	2.0%		
15:30	GB	Index of Services MoM	May	0.2%	0.1%	0.2%	0.1%	

	15:30	GB	Index of Services 3M/3M	May	0.4%	0.4%	0.2%	
	15:30	GB	BBA Mortgage Approvals	Jun	40.200k	--	40.347k	40.287k
	21:00	US	New Home Sales	Jun	610k	615k	610k	605k
	21:00	US	New Home Sales MoM	Jun	0.8%	1.4%	2.9%	4.9%
	21:30	US	DOE U.S. Crude Oil Inventories	Jul-21	-7208k	-3000k	-4727k	
	21:30	US	DOE Cushing OK Crude Inventory	Jul-21	-1699k	--	-23k	
	21:30	US	DOE U.S. Gasoline Inventories	Jul-21	-1015k	-1800k	-4445k	
	21:30	US	DOE U.S. Distillate Inventory	Jul-21	-1852k	-500k	-2137k	
Thu/27-Jul-17	01:00	US	FOMC Rate Decision (Upper Bound)	Jul-26	1.25%	1.25%	1.25%	
	01:00	US	FOMC Rate Decision (Lower Bound)	Jul-26	1.00%	1.00%	1.00%	
	06:00	KR	GDP SA QoQ	2Q P		0.5%	1.1%	
	06:00	KR	GDP YoY	2Q P		2.6%	2.9%	
	08:30	CN	Industrial Profits YoY	Jun		--	16.7%	
	13:00	DE	GfK Consumer Confidence	Aug		10.6	10.6	
27-Jul - 03-Aug	N/A	DE	Retail Sales MoM	Jun		0.2%	0.5%	
27-Jul - 03-Aug	N/A	DE	Retail Sales YoY	Jun		2.4%	4.8%	
	15:30	HK	Exports YoY	Jun		8.0%	4.0%	
	15:30	HK	Imports YoY	Jun		6.0%	6.6%	
	15:30	HK	Trade Balance HKD	Jun		-42.2b	-35.6b	
	19:30	US	Durable Goods Orders	Jun P		3.0%	-0.8%	
	19:30	US	Initial Jobless Claims	Jul-22		241k	233k	
	19:30	US	Durables Ex Transportation	Jun P		0.4%	0.3%	
	19:30	US	Continuing Claims	Jul-15		1950k	1977k	
	19:30	US	Cap Goods Orders Nondef Ex Air	Jun P		0.4%	0.2%	
	19:30	US	Cap Goods Ship Nondef Ex Air	Jun P		--	0.1%	
	19:30	US	Advance Goods Trade Balance	Jun		-\$65.0b	-\$65.9b	
	19:30	US	Chicago Fed Nat Activity Index	Jun		--	-0.26	
	21:00	US	Fed nominee Quarles confirmation hearing at Senate Banking					
Fri/28-Jul-17	04:00	KR	Business Survey Manufacturing	Aug		--	80	
	04:00	KR	Business Survey Non-Manufacturing	Aug		--	76	
	06:00	KR	Industrial Production SA MoM	Jun		1.9%	0.2%	
	06:00	KR	Industrial Production YoY	Jun		1.2%	0.1%	
	06:01	GB	GfK Consumer Confidence	Jul		-11	-10	
	06:30	JP	Jobless Rate	Jun		3.0%	3.1%	
	06:30	JP	Job-To-Applicant Ratio	Jun		1.5	1.49	
	06:30	JP	Overall Household Spending YoY	Jun		0.5%	-0.1%	
	06:30	JP	Natl CPI YoY	Jun		0.4%	0.4%	
	06:30	JP	Natl CPI Ex Fresh Food YoY	Jun		0.4%	0.4%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Jun		-0.1%	0.0%	
	06:30	JP	Tokyo CPI YoY	Jul		0.1%	0.0%	
	06:30	JP	Tokyo CPI Ex-Fresh Food YoY	Jul		0.1%	0.0%	
	06:30	JP	Tokyo CPI Ex-Fresh Food, Energy YoY	Jul		-0.1%	-0.2%	
	06:30	JP	Japan Jun CPI					
	06:50	JP	BOJ Summary of Opinions at July 19-20 Meeting					
	06:50	JP	Retail Sales MoM	Jun		0.4%	-1.6%	
	06:50	JP	Retail Trade YoY	Jun		2.3%	2.0%	
	06:50	JP	BOJ Summary of Opinions at July 19-20 Meeting					
	08:30	AU	PPI QoQ	2Q		--	0.5%	
	08:30	AU	PPI YoY	2Q		--	1.3%	
	14:00	CH	KOF Leading Indicator	Jul		106.0	105.5	
	16:00	EZ	Economic Confidence	Jul		110.8	111.1	
	16:00	EZ	Business Climate Indicator	Jul		1.12	1.15	
	16:00	EZ	Industrial Confidence	Jul		4.3	4.5	
	16:00	EZ	Services Confidence	Jul		13.3	13.4	
	16:00	EZ	Consumer Confidence	Jul F		-1.7	-1.7	
	19:00	DE	CPI MoM	Jul P		0.2%	0.2%	
	19:00	DE	CPI YoY	Jul P		1.6%	1.6%	
	19:00	DE	CPI EU Harmonized MoM	Jul P		0.2%	0.2%	

	19:00	DE	CPI EU Harmonized YoY	Jul P		1.3%	1.5%	
	19:30	CA	GDP MoM	May		--	0.2%	
	19:30	CA	GDP YoY	May		--	3.3%	
	19:30	US	Revisions: GDP data from 2014-16; reference year remains 2009					
	19:30	US	GDP Annualized QoQ	2Q A		2.6%	1.4%	
	19:30	US	Personal Consumption	2Q A		2.9%	1.1%	
	19:30	US	GDP Price Index	2Q A		1.5%	1.9%	
	19:30	US	Core PCE QoQ	2Q A		--	2.0%	
	19:30	US	Employment Cost Index	2Q		0.6%	0.8%	
	21:00	US	U. of Mich. Sentiment	Jul F		93.1	93.1	
	21:00	US	U. of Mich. Current Conditions	Jul F		112.9	113.2	
	21:00	US	U. of Mich. Expectations	Jul F		80.4	80.2	
	21:00	US	U. of Mich. 1 Yr Inflation	Jul F		--	2.7%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Jul F		--	2.6%	
Sat/29-Jul-17	00:00	US	Baker Hughes U.S. Rig Count	Jul-28		--	950	
	00:00	US	Baker Hughes U.S. Rotary Gas Rigs	Jul-28				
	00:00	US	Baker Hughes U.S. Rotary Oil Rigs	Jul-28				
	00:20	US	Fed's Kashkari Speaks at Townhall Event					

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

ASIAN STOCK INDICATORS – *Daily Outlook*

Japanese stocks rose on Wednesday, snapping a three-day losing streak, as solid gains on Wall Street boosted sentiment and Caterpillar's strong earnings whetted investors' appetite for companies such as Komatsu and Hitachi Construction.

While overall sentiment improved, investors took profits later in some of the stocks which had risen in early trade, as they remained cautious ahead of a U.S. Federal Reserve monetary policy decision later in the day. The Nikkei share average ended 0.5 percent higher at 20,050.16, rising for the first time in four days.

The Nikkei Jasdq rose 0.2 percent, climbing for a sixth day, as retail investors continued to buy shares in small to mid-sized companies.

Japanese construction equipment makers attracted buying, with Komatsu Ltd surging 2.7 percent and Hitachi Construction Machinery Co soaring 2.9 percent after Caterpillar Inc, the world's largest construction and mining equipment maker, beat expectations and raised its full-year forecast for the second time, citing global strength and particularly a rebound in China.

Japan Inc has kicked off April-June earnings season, and investors have taken heart from brisk results from frontrunners such as Yaskawa Electric Corp, which gave the market an upbeat surprise last week.

On Wednesday, the world's largest silicon wafer maker Shin-Etsu Chemical soared as much as 3.4 percent to a record high, after it said it expects a 12.3 percent rise in its full-year operating profit for the fiscal year through March.

But investors wasted no time in taking profits on the stock, sending its shares down 1.7 percent.

"We're still in the second quarter, and the company already shows that it's on track to achieve its full-year goal and that is raising expectations for certain sectors as well as the overall mood," said Takuya Takahashi, an equity strategist at Daiwa Securities.

With the market focused on the Fed decision, gains were capped in the afternoon.

The Fed is widely expected to keep interest rates unchanged at its two-day meeting. Investors will be watching for any clues on whether it may raise rates again this year, and when it will begin paring its massive bond portfolio, which could impact the dollar/yen and exporters' profits.

The broader Topix gained 0.2 percent to 1,620.88.

The South Korean won sagged on Wednesday, consolidating after a two-week rally as investors waited for the outcome of the U.S. Federal Reserve meeting.

The won was quoted at 1,121.8 to the dollar at the conclusion of onshore trade, down 0.6 percent compared to Tuesday's close of 1,115.3.

South Korean shares inched down as foreign investors extended a sell off of local equities.

The Korea Composite Stock Price Index (KOSPI) closed down 0.2 percent at 2,434.51 points.

Offshore investors offloaded a net 355 billion won (\$316.42 million) worth of KOSPI shares for the day.

Hong Kong shares ended higher on Wednesday as gains by energy and financial shares overcame sluggishness in other sectors hit by profit-taking after the Hang Seng index temporarily breached the 27,000 mark in early trade.

The benchmark Hang Seng index finished 0.3 percent, or 88.97 points, higher at 26,941.02.

The benchmark index is on track for a seventh straight month of gains in July, which would be its longest such rally in 10 years.

The Hang Seng China Enterprises Index was up 0.5 percent at 10,831.50.

Consumer cyclicals and technology shares, which were the leading gainers in the previous session, took the biggest hit.

AAC Technologies and Tencent Holdings, down 3 percent and 0.3 percent respectively, were the biggest drags on the benchmark.

However, a solid jump in energy shares lifted the index, as oil prices continued to rally, holding near eight-week highs hit in the previous session.

Energy sector heavyweights Sinopec, PetroChina and CNOOC rose between 1.7 percent and 3 percent.

China Construction Bank and ICBC were also among the top performers, up 1.4 percent and 1.1 percent respectively.

China blue-chip stocks fell for a second day on Wednesday on lingering fears of further regulatory tightening, even though most China watchers do not expect any major new clampdown ahead of a sensitive national leadership reshuffle in autumn.

The blue-chip CSI300 index fell 0.4 percent to 3,705.39 points, while the Shanghai Composite Index added 0.1 percent to 3,247.67 points.

Traders said investors grew wary after the country's central bank pledged to strictly regulate financial market trading, and as the securities regulator vowed to maintain "normalisation" of new listings.

The central bank said on Tuesday that it would strengthen the regulation of internet finance as policymakers look to control risks in what regulators have called "chaotic" financial markets.

While such statements about tackling risks are hardly new, they underscored the nervous market mood after top leaders recently reiterated they would press ahead with efforts to reduce risks in the financial system. Authorities had launched a series of measures earlier this year.

The market seemed largely unaffected by news that China will turn all big companies owned by the central government into limited liability firms or joint-stock firms by the end of 2017, which could potentially encourage more merger activity in the bloated and often inefficient sector.

"The reform plan will have limited impact for now, as those centrally owned firms are confronted with other problems including overcapacity, which could not be simply resolved by changing mechanisms," said Yang Weixiao, analyst with Founder Securities.

The start-up board index ChiNext slid 0.4 percent after the securities regulator said it would maintain "normalisation" of initial public offerings and improve the mechanism for delisting shares from stock markets, without giving details.

China approved roughly 250 IPOs in the first half, mostly by small- and mid-cap companies, which investors say has contributed to a steady fall in share prices of small companies.

Sector performance was mixed, with losses led by consumer and healthcare stocks, which have ranked among best performing sectors since 2017 as investors sought shelter in defensive blue-chips.

(Source Reuters, Research: @ErwinRiset)

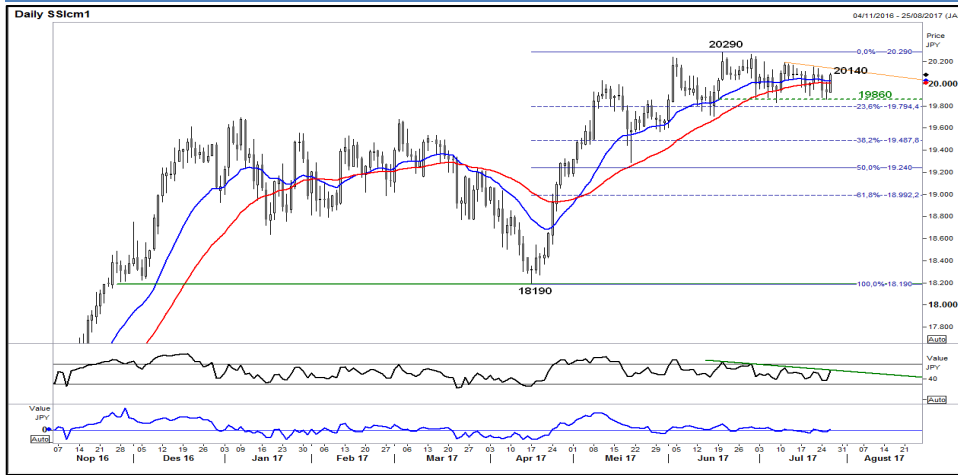
ASIA AND GLOBAL MARKET SPOT PRICE 2016

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
RECORD HIGH	38915.87 (29/Dec/89)	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)
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	20318.11 (20/June/2017)	322.16 (25/Jul/2017)	27007.27 (26/Jul/2017)	21742.70 (26/Jul/2017)	2481.69 (26/Jul/2017)	3295.18700 (07/Apr/2017)
2017 LOW	18224.68 (17/Apr/2017)	258.64 (02/Jan/2017)	21883.82 (03/Jan/2017)	19677.94 (19/Jan/2017)	2245.13 (03/Jan/2017)	3016.53050 (11/May/2017)
2016 LOW	14864.01 (24/Jun/16)	222.92 (20/Jan/16)	18278.80 (12/Feb/16)	15450.56 (20/Jan/16)	1810.10 (11/Feb/16)	2638.30160 (27/Jan/16)
RECORD LOW	85.25 (06/Jul/50)	31.96 (16/Jun/98)	58.61 (31/Aug/67)	388.20 (17/Jan/55)	132.93 (23/Nov./82)	325.92200 (29/Jul/94)

Closing Prices – 26 July 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	21711.01	↑ 97.58/ 0.45%	.N225	20050.16	↑ 94.96/0.48%
/.SPX	2477.83	↑ 0.70/ 0.03%	.KS200	319.46	↓ 0.69/0.22%
/.IXIC	6422.747	↑ 10.573/ 0.16%	.HSI	26941.02	↑ 88.97/0.33%
JPY=	111.16	↓ 0.72/ 0.64%	/.SSEC	3247.58340	↑ 3.89400/0.12%
KRW=	1111.60	↓ 7.41/ 0.66%	/CLc1 (Oil)	48.72	↑ 0.83/1.73%

SSIamU7 (Nikkei Sep Futures) – Last Trading Date: 11 Sep 2017



- Fluctuating movement in the resistance zone, with trendline resistance around 20140 potentially tested again
 - The important resistance is currently at 20200 - 20290
 - While short-term support at 19860 - 19830
- [\(Research – @ErwinRiset\)](#)

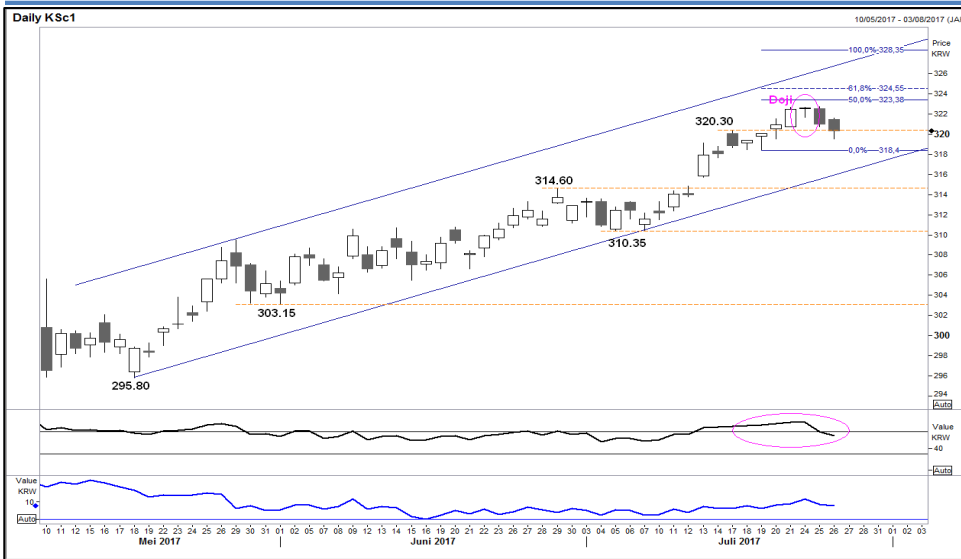
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
26 July SSIpmU7	20030	20090	19995	95	20015	---	↓ 20	0.10	14622
26 July SSIamU7	20080	20100	20005	95	20035	20035	↑ 105	0.53	38711
25 July SSIpmU7	19925	20085	19920	162	20065	---	↑ 135	0.68	21148
25 July SSIamU7	19960	20015	19910	105	19930	19930	↓ 15	0.08	31975
24 July SSIpmU7	19950	19960	19860	100	19945	---	UNCH	UNCH	18991
24 July SSIamU7	19955	19980	19875	105	19945	19945	↓ 120	0.60	48763
21 July SSIpmU7	20070	20080	19950	130	19960	---	↓ 105	0.52	21971
21 July SSIamU7	20060	20110	20055	55	20065	20065	↓ 20	0.10	29747
20 July SSIpmU7	20080	20140	20025	115	20065	---	↓ 20	0.10	21621
20 July SSIamU7	20025	20155	20010	145	20085	20085	↑ 80	0.40	48716

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
20100	19860	20200	19830	20290	19660	20290	18190
(26/Jul)	(24/Jul)	(03/Jul)	(07/Jul)	(20/Jun)	(01/Jun)	(20/Jun)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	20290	High 20/Jun/2017 (Peak)
	20250	Peak level (hourly)
	20200	Reaction high (hourly)
	20155	Reaction high (hourly)
SUPPORT	19910	Reaction low (hourly)
	19830	Reaction low (hourly)
	19705	Low 16/Jun/2017 (Reaction low)
	19565	Low 30/May/2017 (Reaction low)
RECOMMENDATION	BUY	19950
	SELL	----
	STOP LOSS	19870
	TARGET	20110 20180

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



- Correction continues, testing and breaking crucial level at 320.30, after hit low at 319.50
- Correction potentially faces the support level at 318.40
- Doji pattern and RSI's overbought condition support bearish signals
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
26 July	321.45	321.60	319.50	2.10	320.30	320.30	↓ 0.70	0.22	206966
25 July	322.55	322.75	320.70	2.05	321.00	321.00	↓ 1.60	0.50	139018
24 July	322.55	322.65	321.65	1.00	322.60	322.60	↑ 0.15	0.05	98286
21 July	320.70	322.65	320.70	1.95	322.45	322.45	↑ 1.50	0.47	153155
20 July	320.55	321.55	319.55	2.00	320.95	320.95	↑ 0.90	0.28	122473
19 July	319.80	320.05	318.40	1.65	320.05	320.05	↑ 0.65	0.20	145202

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
322.75 (25/Jul)	319.50 (26/Jul)	322.75 (25/Jul)	310.35 (05/Jul)	314.60 (29/Jun)	303.15 (01/Jun)	322.75 (25/Jul)	259.25 (02/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	324.55	61.8% Fib. Projection
	323.38	50% Fib. Projection
	322.75	High 25/Jul/2017 (Peak)
	321.60	High 26/Jul/2017
SUPPORT	318.40	Low 19/Jul/2017 (Reaction low)
	317.35	Reaction low (hourly)
	315.75	Low 13/Jul/2017
	314.60	Pivot line (Daily)
RECOMMENDATION	BUY	----
	SELL	320.90
	STOP LOSS	321.80
	TARGET	318.65 317.55

HSIN7 (Hang Seng July Futures) – Exp. Date: 28 July 2017



- Rally continues to approach the psychological level at 27000 after recording an intraday high at 26995 (daily chart)
 - However RSI condition was overbought
 - Beware of a limited reversal as long as the support area around 26800 remains intact
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
26 July (HSIQ7)	26831	26920	26728	192	26843	26843	↑ 34	0.13	87810
26 July (HSIN7)	26913	26995	26802	193	26918	26918	↑ 37	0.14	156946
25 July	26834	26888	26811	77	26881	26881	↑ 3	0.01	128974
24 July	26723	26904	26698	206	26878	26878	↑ 104	0.39	109178
21 July	26751	26782	26672	110	26774	26774	↑ 27	0.10	88081
20 July	26742	26776	26658	118	26747	26747	↑ 73	0.27	82752
19 July	26550	26708	26522	186	26674	26674	↑ 111	0.42	95264

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
26995	26698	26995	25110	25952	25403	26995	21863
(26/Jul)	(24/Jul)	(26/Jul)	(05/Jul)	(09/Jun)	(15/Jun)	(26/Jul)	(03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	27660	High 04/Jun/2015 (Reaction high)
	27468	High 05/Jun/2015
	27371	High 25/Jun/2015 (Peak)
	27158	High 26/Jun/2015
SUPPORT	26802	Reaction low (hourly)
	26661	Reaction low (hourly)
	26415	Reaction low (hourly)
	26283	Reaction low (hourly)
RECOMMENDATION	BUY	26870
	SELL	----
	STOP LOSS	26780
	TARGET	27060 27150

CURRENCIES – *Daily Outlook*

Dollar hits 13-month low after Fed adjusts statement - Reuters News



The dollar fell on Wednesday, touching its lowest level in more than a year against a basket of currencies after the release of the Federal Reserve's policy statement following its July meeting. The Federal Open Market Committee announced no changes to monetary policy, as expected. Policymakers said, however, that the U.S. central bank would begin implementing balance sheet normalization "relatively soon."

That marked a change from the committee's previous statement that it would begin to reduce its \$4.5 trillion bond holdings "this year."

The dollar index, which measures the greenback against six major currencies, fell to 93.396, its lowest since June 23, 2016.

"In our mind, 'relatively soon' is consistent with (a balance sheet reduction in) September, but there could've been a hope for stronger language or a more clear signal for September," said Vassili Serebriakov, FX strategist at Credit Agricole. "Maybe the market sees September as somewhat of a question mark. We don't. But 'relatively soon' could be open to some interpretation."

While the statement did seemingly set the Fed up to begin paring its balance sheet as soon as its next meeting in September, the lack of surprise allowed the market to revert to the trend of dollar weakness seen before the statement's release.

"There's just a lot of momentum in dollar selling in general," Serebriakov said. "Once the statement was out of the way and didn't really give any reasons to buy the dollar, the market tried to push for new highs in some of the other currencies."

The dollar index has fallen about 4 percent over the last month and more than 8.5 percent this year.

Analysts also pointed to technical trading levels that were breached once the dollar began to fall, triggering more selling and a further decline in the greenback.

The euro, which had been bumping up against a 23-month high for most of the week, pushed through that mark to touch \$1.1739, its highest since Jan. 15, 2015.

The dollar fell to a more than 2-year low against its Canadian counterpart, dropping to C\$1.2416, its lowest since June 30, 2015.

Against the yen, the dollar dropped 0.6 percent to 111.21 yen, reversing early gains.

The dollar also surrendered its early rise versus the Swiss franc, last down 0.1 percent at 0.9514 franc.

(Source Reuters, Research – @her1en)

EUR/USD

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



- Primary support at the 1.1380 level
- Daily RSI down
- Strong resistance at 1.1800
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
July 26	1.16466	1.17389	1.16116	127,3	1.17319	↑ 86,2	1.16457
July 25	1.16359	1.17110	1.16297	81,3	1.16457	↑ 3,3	1.16424
July 24	1.16717	1.16832	1.16247	58,5	1.16424	↓ 34,2	1.16766
July 21	1.16317	1.16816	1.16181	63,5	1.16766	↑ 48,5	1.16281
July 20	1.15163	1.16568	1.14780	178,8	1.16281	↑ 116,2	1.15119

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.17389 (26/Jul)	1.16116 (26/Jul)	1.17389 (26/Jul)	1.13112 (05/Jul)	1.14443 (29/Jun)	1.11177 (20/Jun)	1.17389 (26/Jul)	1.0342 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.2108	High Jan 02, 2015
	1.1968	High Jan 06, 2015
	1.1870	High Jan 12, 2015
	1.1793	High Jan 15, 2015
SUPPORT	1.1611	Low Jul 26
	1.1477	Low Jul 19
	1.1378	Low 07/Jul/2017
	1.1311	Low 05/Jul/2017 (Reaction low)
RECOMMENDATION	BUY	1.1720
	SELL	-----
	STOP LOSS	1.1640
	TARGET	1.1800 1.1830

USD/JPY

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



- Reversal develops, facing the support area at 110.60
- Be alert of a limited correction if the area of 110.60 remains intact
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
July 26	111.858	112.186	111.049	113,7	111.147	↓ 73,0	111.877
July 25	111.164	111.947	110.817	113,0	111.877	↑ 79,8	111.079
July 24	111.109	111.307	110.610	69,7	111.079	↑ 4,6	111.033
July 21	111.832	112.067	111.000	106,7	111.033	↓ 90,8	111.941
July 20	111.875	112.405	111.468	93,7	111.941	↑ 2,5	111.916

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
112.186 (26/Jul)	110.610 (24/Jul)	114.482 (11/Jul)	110.610 (24/Jul)	112.914 (29/Jun)	108.802 (14/Jun)	118.60 (03/Jan)	108.14 (17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	113.96	High 12/Jul/2017
	113.57	High 14/Jul/2017 (Reaction high)
	112.86	High 17/Jul/2017
	112.41	High 20/Jul/2017 (Reaction high)
SUPPORT	110.60	Low 24/Jul/2017
	109.25	Low 15/Jun/2017
	108.81	Low 14/Jun/2017 (Bottom)
	108.11	Low 17/Apr/2017 (Bottom)
RECOMMENDATION	BUY	----
	SELL	111.45
	STOP LOSS	112.50
	TARGET	110.65 110.30

GBP/USD

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



- Rebound faces a peak level at 1.3125, with a horizontal resistance line at 1.3120 being tested
- But consider the trendline support around 1.2960. If it breaks, then potentially triggers a reversal
- Support area at 1.2930
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
July 26	1.30282	1.31217	1.29984	123,3	1.31098	↑ 85,0	1.30248
July 25	1.30240	1.30827	1.30067	76,0	1.30248	↓ 1,4	1.30262
July 24	1.29987	1.30567	1.29871	69,6	1.30262	↑ 21,9	1.30043
July 21	1.29727	1.30187	1.29522	66,5	1.30043	↑ 36,4	1.29679
July 20	1.30233	1.30313	1.29318	99,5	1.29679	↓ 52,0	1.30199

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.31217 (26/Jul)	1.29871 (24/Jul)	1.31247 (18/Jul)	1.28106 (12/Jul)	1.30289 (30/Jun)	1.25878 (21/Jun)	1.31247 (18/Jul)	1.1986 (16/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3445	High 06/Sep/2016 (Peak)
	1.3346	High 12/Sep/2016 (Reaction high)
	1.3278	High 15/Sep/2016 (Reaction high)
	1.3125	High 18/Jul/2017 (Peak)
SUPPORT	1.2999	Low 26/Jul/2017
	1.2930	Low 20/Jul/2017 (Reaction low)
	1.2875	Low 13/Jul/2017
	1.2790	Low 28/Jun/2017
RECOMMENDATION	BUY	1.3055
	SELL	----
	STOP LOSS	1.2975
	TARGET	1.3150 1.3190

USD/CHF

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



- Reversal develops after a crucial resistance area at 0.9598 effectively holds the rebound
- Correction may potentially develop if it fails to hold above 0.9500, with support area around 0.9440 potentially tested again
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
July 26	0.95219	0.95940	0.94975	96,5	0.95064	↓ 16,6	0.95230
July 25	0.94689	0.95243	0.94543	70,0	0.95230	↑ 59,0	0.94640
July 24	0.94505	0.94741	0.94442	29,9	0.94640	↑ 24,0	0.94400
July 21	0.95090	0.95217	0.94372	84,5	0.94400	↓ 71,6	0.95116
July 20	0.95500	0.96203	0.94923	128,0	0.95116	↓ 43,5	0.95551

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.95940 (26/Jul)	0.94442 (24/Jul)	0.96994 (14/Jul)	0.94372 (21/Jul)	0.97694 (15/Jun)	0.95514 (30/Jun)	1.0335 (03/Jan)	0.94372 (21/Jul)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.9770	High 15/Jun/2017 (Reaction high)
	0.9700	High 14/Jul/2017 (Reaction high)
	0.9634	High 18/Jul/2017
	0.9598	Pivot line (Daily)
SUPPORT	0.9436	Low 21/Jul/2017
	0.9379	Low 26/Aug/2015
	0.9295	Low 25/Aug/2015
	0.9241	Low 29/Jun/2015 (Reaction low)
RECOMMENDATION	BUY	----
	SELL	0.9545
	STOP LOSS	0.9615
	TARGET	0.9475 0.9430

AUD/USD

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



- Correction in daily
 - Trendline resistance around 0.8160
 - The support area around 0.7720 - 0.7630
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
July 26	0.79351	0.80126	0.78767	135,9	0.80039	↑ 68,7	0.79352
July 25	0.79219	0.79691	0.79014	67,7	0.79352	↑ 12,8	0.79224
July 24	0.79137	0.79663	0.79023	64,0	0.79224	↑ 5,5	0.79169
July 21	0.79544	0.79568	0.78739	82,9	0.79169	↓ 38,8	0.79557
July 20	0.79514	0.79876	0.78962	91,4	0.79557	↑ 3,8	0.79519

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.80126 (26/Jul)	0.78767 (26/Jul)	0.80126 (26/Jul)	0.75698 (05/Jul)	0.77111 (30/Jun)	0.73699 (01/Jun)	0.80126 (26/Jul)	0.7182 (03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.8375	High Dec 11, 2014
	0.8295	High Jan 15, 2015
	0.8233	High Jan 21, 2015
	0.8162	High May 14, 2015
SUPPORT	0.7875	Low July 26
	0.7783	Low July 18
	0.7721	Low July 14
	0.7630	Low July 12
ECOMMENDATION	BUY	0.7990
	SELL	-----
	STOP LOSS	0.7910
	TARGET	0.8070 0.8100

NZD/USD

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



- Daily break area trend channel movement
- With RSI down, beware it is still near the overbought area
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
July 26	0.74179	0.75278	0.74082	119,6	0.75192	↑ 103,0	0.74162
July 25	0.74325	0.74498	0.74001	49,7	0.74162	↓ 21,0	0.74372
July 24	0.74533	0.74552	0.74207	34,5	0.74372	↓ 17,6	0.74548
July 21	0.73999	0.74571	0.73928	64,3	0.74548	↑ 56,0	0.73988
July 20	0.73552	0.74139	0.73327	81,2	0.73988	↑ 43,8	0.73550

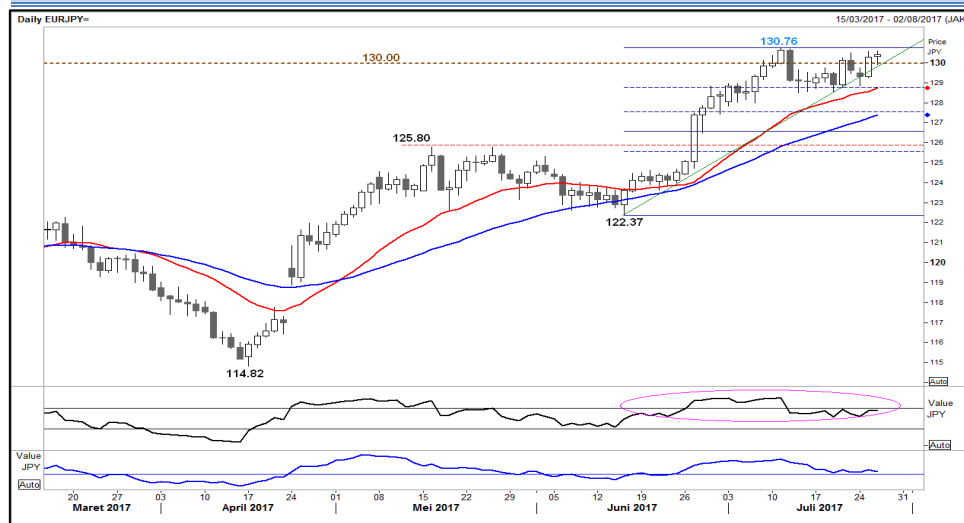
WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.75278	0.74001	0.75278	0.72005	0.73451	0.70572	0.75278	0.68166
(26/Jul)	(25/Jul)	(26/Jul)	(11/Jul)	(30/Jun)	(01/Jun)	(26/Jul)	(11/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7890	High Jan 15, 2015
	0.7744	High Apr 29, 2015
	0.7627	High May 01, 2015
	0.7562	High May 14, 2015
SUPPORT	0.7408	Low July 26
	0.7370	Trendline support
	0.7331	Low July 20
	0.7244	Low July 13
RECOMMENDATION	BUY	0.7495
	SELL	-----
	STOP LOSS	0.7415
	TARGET	0.7575 0.7605

EUR/JPY

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



- Rebound is hampered, with peak level at 130.76 remains intact
 - Watch the crucial level at 130. If effective, then the rally will likely continue
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
July 26	130.278	130.581	129.909	67,2	130.416	↑ 11,1	130.305
July 25	129.349	130.557	129.227	133,0	130.305	↑ 96,4	129.341
July 24	129.679	129.713	128.841	87,2	129.341	↓ 30,6	129.647
July 21	130.082	130.478	129.471	100,7	129.647	↓ 47,3	130.120
July 20	128.845	130.238	128.754	148,4	130.120	↑ 128,4	128.836

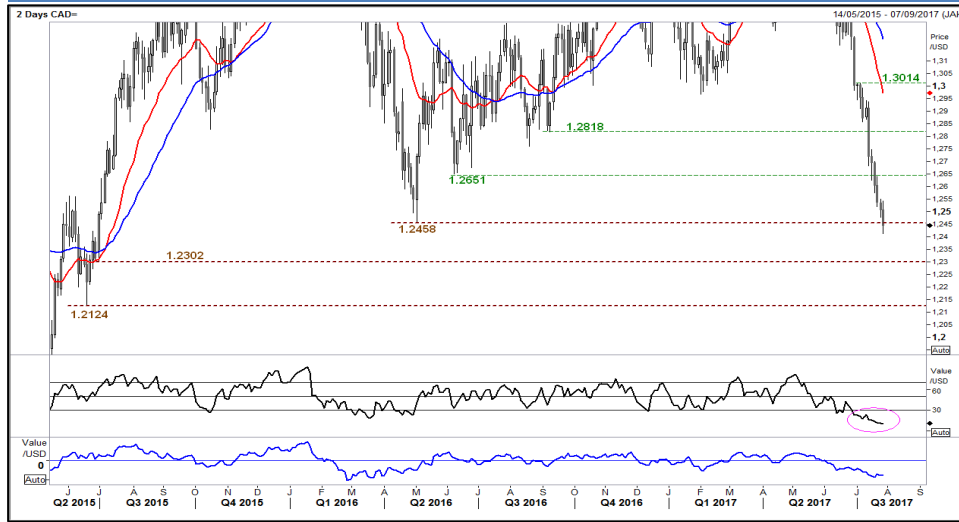
WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
130.581	128.841	130.739	127.971	128.802	122.371	130.739	114.87
(26/Jul)	(24/Jul)	(11/Jul)	(06/Jul)	(29/Jun)	(15/Jun)	(11/Jul)	(17/Apr)

ANALYSIS & RECOMMENDATION

RESISTANCE	132.25	High 29/Jan/2016 (Peak)
	131.65	High 04/Feb/2016 (Reaction high)
	131.04	High 05/Feb/2016
	130.76	High 11/Jul/2017 (Peak)
SUPPORT	129.23	Low 25/Jul/2017
	128.48	Low 13/Jul/2017 (Reaction low)
	127.97	Low 06/Jul/2017 (Reaction low)
	127.42	Low 30/Jun/2017 (Reaction low)
RECOMMENDATION	BUY	130.05
	SELL	----
	STOP LOSS	129.10
	TARGET	130.90 131.35

USD/CAD

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



- Correction continues, breaking the new lows this year at 1.2412
 - The downtick target at 1.2302
- Beware of the RSI is very oversold and note the area around 1.2360 for a potential rebound
[\(Research – @ErwinRiset\)](#)

WEEKLY OPEN	CURRENT PRICE
1.2536	1.2450

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2551 (24/Jul)	1.2412 (26/Jul)	1.3014 (05/Jul)	1.2412 (26/Jul)	1.3546 (02/Jun)	1.2945 (30/Jun)	1.3793 (05/May)	1.2412 (26/Jul)

ANALYSIS & RECOMMENDATION		
RESISTANCE	1.2701	High 18/Jul/2017 (Reaction high)
	1.2652	Reaction high (hourly)
	1.2608	Reaction high (hourly)
	1.2542	High 26/Jul/2017
SUPPORT	1.2412	Low 26/Jul/2017
	1.2358	Low 30/Jun/2015
	1.2302	Low 29/Jun/2015 (Reaction low)
	1.2273	Low 24/Jun/2015 (Reaction low)
RECOMMENDATION	BUY	----
	SELL	1.2480
	STOP LOSS	1.2560
	TARGET	1.2390 – 1.2330

Precious Metal – *Daily Outlook*

Gold jumps to 6-week top after Fed statement, U.S. dollar drops - Reuters News



Gold jumped 1 percent to a six-week high on Wednesday, after the U.S. Federal Reserve said it would start to wind down its massive holdings of bonds "relatively soon," pushing the dollar lower.

The U.S. central bank kept interest rates unchanged as expected and said it was continuing the slow path of monetary tightening that has lifted rates by a percentage point since 2015, the Fed said in a statement following a two-day meeting.

Spot gold rallied 1.1 percent to \$1,262.11 an ounce by 3:11 p.m. EDT (1911 GMT). Its session high of \$1,263.42 was the highest since June 15.

Before the Fed statement, U.S. gold futures for

August delivery settled down 0.2 percent at \$1,249.40.

"Gold clawed back recent losses and surged to fresh highs of the rally as the Fed confirmed it was on a summer sabbatical with a safe statement that nodded to lower inflation but was offset by a confirmation that balance sheet tapering would occur 'relatively soon,'" said Tai Wong, director of base and precious metals trading for BMO Capital Markets in New York.

The dollar fell to a 13-month low against a basket of major currencies after the Fed statement. U.S. 10-year Treasury yields also fell, providing support to bullion.

Lower yields decrease the opportunity cost of holding non-yielding gold, while a weaker greenback makes dollar-priced bullion less expensive for holders of other currencies.

"They weren't quite ready to start the clock on letting bonds roll off their balance sheet, but saying it's coming 'relative soon' is in line with our view that it's on tap for the September decision," said Avery Shenfeld, chief economist for CIBC Capital Markets.

Prior to the statement, expectations of another rate hike before the end of the year were less than 50 percent.

"We expect the Fed to delay its next rate hike until December this year, with risks skewed toward a longer pause given the possibility that core inflation takes longer to recover. We expect two rate hikes next year."

ABN Amro economist Nick Kounis said in a note.

Holdings at the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 1.13 percent to 800.45 tonnes on Tuesday from 809.62 tonnes on Monday, weighing on gold prices earlier in the session.

In other precious metals, silver turned higher and was up 0.8 percent at \$16.59 per ounce.

Platinum edged up 0.03 percent to \$923.75 per ounce, while palladium rose 1.1 percent to \$866.40 per ounce. [\(Source Reuters, Research – @her1en\)](#)

GOLD (XAU/USD)



- Daily RSI down
- The circuit breaks the daily high level ([Research - @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
July 26	1250.040	1263.370	1243.640	19.73	1260.700	↑ 10.96	1249.740	1245.40	1248.10
July 25	1254.840	1257.580	1248.980	8.60	1249.740	↓ 5.31	1255.050	1252.00	1254.40
July 24	1254.330	1258.680	1251.800	6.88	1255.050	↑ 0.01	1255.040	1255.85	1255.55
July 21	1244.280	1255.570	1243.220	12.35	1255.040	↑ 10.68	1244.360	1247.25	1248.55
July 20	1240.780	1247.350	1235.140	12.21	1244.360	↑ 3.37	1240.990	1236.55	1238.70

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1263.370	1243.640	1263.370	1204.690	1295.910	1236.040	1295.910	1146.31
(26/Jul)	(26/Jul)	(26/Jul)	(10/Jul)	(06/Jun)	(26/Jun)	(06/Jun)	(03/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1308.00	Trendline resistance
	1295.97	Reaction high on 1-H chart (High June 06)
	1279.37	High June 14
	1266.54	High June 15
SUPPORT	1243.41	Low July 26
	1234.74	Low July 20
	1218.00	Trend channel support
	1214.55	Low July 14
RECOMMENDATION	BUY	1257.00
	SELL	-----
	STOP LOSS	1248.00
	TARGET	1269.00 1274.50

SILVER (XAG/USD)



- Short-term resistance around 17.10
 - Strong support at 15.40
 - Daily RSI is flat
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
July 26	16.464	16.681	16.287	0.39	16.634	↑ 0.16	16.475
July 25	16.458	16.604	16.231	0.37	16.475	↑ 0.01	16.461
July 24	16.478	16.575	16.407	0.17	16.461	↓ 0.02	16.482
July 21	16.306	16.496	16.287	0.21	16.482	↑ 0.17	16.311
July 20	16.255	16.403	16.122	0.28	16.311	↑ 0.05	16.262

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.681 (26/Jul)	16.231 (25/Jul)	16.681 (26/Jul)	14.334 (07/Jul)	17.730 (06/Jun)	16.252 (26/Jun)	18.63 (17/Apr)	14.334 (07/Jul)

ANALYSIS & RECOMMENDATION

RESISTANCE	17.75	High June 06
	17.31	High June 14
	17.08	High June 15
	16.90	High June 29
SUPPORT	16.28	Low July 26
	16.10	Low July 20
	15.57	Low July 14
	15.42	Low July 11
ECOMMENDATION	BUY	16.60
	SELL	-----
	STOP LOSS	16.35
	TARGET	16.95
		17.15

OIL – Daily Outlook

Oil jumps to near 8-week high after big draw in U.S. crude stocks - Reuters News

Oil prices rose to near eight-week highs on Wednesday, with Brent crude futures above \$50 a barrel, as a much steeper than expected decline in U.S. inventories encouraged hopes the global crude glut would recede.

Brent crude futures settled up 77 cents or 1.5 percent to \$50.97 a barrel. U.S. West Texas Intermediate futures rose 86 cents or 1.8 percent to \$48.75 a barrel.

U.S. crude stocks fell last week as refineries hiked output and imports dropped, while gasoline stocks decreased and distillate inventories fell, the Energy Information Administration said.

Crude inventories fell 7.2 million barrels in the week ending July 21, far exceeding the 2.6 million barrel forecast. It was the fourth straight weekly decline, bolstering hopes that the long-oversupplied market was moving toward balance.

On Monday, Saudi Arabia said it would limit oil exports to 6.6 million barrels per day (bpd) in August, down nearly 1 million bpd from a year earlier.

"Today's report has strengthened the bullish sentiment already prevailing in the market, although the longevity of the move remains in doubt," said Abhishek Kumar, Senior Energy Analyst at Interfax Energy's Global Gas Analytics in London. "Nevertheless, the country's crude and gasoline stockpiles remain above their five-year averages, which will cap price gains."

The drawdown was a combination of higher exports from the United States, a marginal decline in oil output and a rise in the refinery utilization rate, he said.

"The market has been tightening and the refinery margins are strong," said PetroMatrix managing director Olivier Jakob, adding the U.S. stock draw offered a boost to prices. "You add geopolitical risk premium for Venezuela, and you've got a strong market."

In Venezuela, an OPEC member producing about 2 million bpd of oil, President Nicolas Maduro's opponents launched a two-day national strike to push him to abandon a weekend election. The United States is considering financial sanctions to halt dollar payments for Venezuelan oil.

Nigerian output slipped this week as leaks forced Shell to shut a pipeline exporting some 180,000 bpd of oil. Nigeria, which has been exempted from OPEC-led production curbs, has agreed to cap or cut output when it stabilized at 1.8 million bpd.

But analysts said rallying oil prices could encourage more production, particularly from the United States.

"Any price rebound will only embolden U.S. shale producers at a time when rumors have started to emerge that the U.S. shale boom is slowing," PVM oil analyst Stephen Brennock said in a note.

(Source Reuters, Research – @her1en)



CLU7/USD (OIL)
 (Exp.: 22 Aug. 2017 - Reuters)



- The series rises to a daily high level
- Important resistance at 52.30
- Primary support around 46.30
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
July 26	48.49	48.84	47.85	0.99	48.70	↑ 0.17	48.53
July 25	46.44	48.65	46.37	2.28	48.53	↑ 2.07	46.46
July 24	45.66	46.51	45.40	1.11	46.46	↑ 0.89	45.57
July 21	46.88	47.19	45.53	1.66	45.57	↓ 1.35	46.92
July 20	47.26	47.72	46.80	0.92	46.92	↓ 0.33	47.25

WEEKLY		JULY		JUNE		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
48.84	45.40	48.84	43.64	49.15	42.04	55.22	42.04
(26/Jul)	(24/Jul)	(26/Jul)	(10/Jul)	(01/Jun)	(21/Jun)	(03/Jan)	(21/Jun)

ANALYSIS & RECOMMENDATION

RESISTANCE	53.82	High Apr 19
	52.38	High May 25
	50.28	High 30/May/2017 (Reaction high)
	49.71	High May 31
SUPPORT	47.86	Low Jul 26
	46.38	Low Jul 25
	44.90	Reaction low (hourly)
	43.65	Low 10/Jul/2017
RECOMMENDATION	BUY	48.55
	SELL	----
	STOP LOSS	47.55
	TARGET	49.85
		50.35